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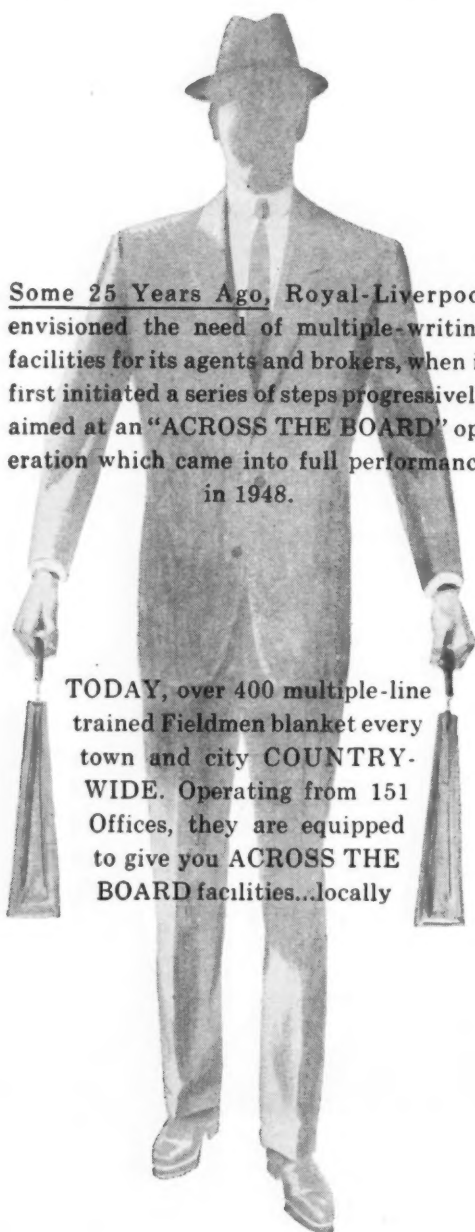
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THURSDAY, APRIL 26, 1956

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Insurance Company
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WUA Has Record Attendance at Chicago Meeting

Program Features Popular Small Group Discussion Sessions

An attendance of between 150 and 175, possibly the largest in history, marked the meeting of Western Underwriters Assn. at Chicago this week. WUA has not met at Chicago since the war years when travel was restricted.

The pattern of the Chicago gathering was identical to that adopted last October at White Sulphur Springs, being built around discussion groups. The small conference sessions are designed to pool executive thinking on matters of importance. There were nine such group meetings at Chicago, and the discussion sessions lasted most of a day.

While the members had to forego the pleasures of West Virginia in the spring, the Chicago location gave a number of western department junior executives their first opportunity to attend a WUA meeting, and most of the gain over the usual attendance came from this source. The larger crowd at Chicago necessitated double sessions for two of the discussion groups.

The governing committee of WUA met Monday morning and in the afternoon Western Actuarial Bureau and Oil Insurance Association had their annual meetings. Tuesday morning the reports of the governing committee and the president were delivered by E. D. Lawson, Fireman's Fund, and Leonard Peterson, Home, respectively. This short business session attracted a capacity crowd of 150 persons. Immediately after, the meeting split into discussion groups, with approximately 100 WUA members participating in the nine conferences. Chairmen were George V. Whitford, Fire Association; C. L. Zook, National Fire; L. W. Brown, Loyalty group; B. M. Draper, Hartford Fire; R. F. Jackson, America Fore; A. C. Ruehl, Travelers; T. B. Kelley, Commercial Union; H. P. Winter, America Fore, and John G. McFarland, American.

All those taking part had selected in advance the group they were to attend and had organized material pertinent to their subject. There is little or no waste motion in these meetings.

The conferences lasted until 5 p.m. or after, and the chairmen prepared for presentation Wednesday morning a synopsis of the discussions, including suggestions and conclusions.

Although the Chicago meeting was designed as a strictly business affair, both Monday and Tuesday evenings were marked by receptions, the first a WUA sponsored event and the second given by Uniform Printing & Supply. WUA will hold its annual meeting at White Sulphur Springs in October.

Agents Eye Competition, Compulsory at Hartford

800 Attend, A Record;
Hotel Crowded for EAC
As Well As Program

Directors Vote More for
Slogan Contest, Act to
Stop FHA Self Insurance

By KENNETH O. FORCE

HARTFORD—Almost 800 registered for the combined Eastern Agents Conference and midyear meeting of National Board of State Directors of National Assn. of Insurance Agents here. This was a record attendance for the EAC-state directors combination. The program was full and fast, and there was plenty of entertainment provided by the hosts of EAC.

With Warren Bodwell of Manchester, N.H., the outgoing chairman, and John J. Maguire of Philadelphia, the first vice-chairman, sharing the gavel, the conference opened with David A. North of New Haven playing the national anthem. Walter E. North of Bridgeport extended greetings as president of the Connecticut association, and Valmore H. Forcier of Danielson, Conn., gave the secretary's report, and Charles H. Frankenbach of Westfield, N.J., that of the treasurer. E. Stuart Windsor of Baltimore presented the conference committee report, which is treated elsewhere.

In its resolutions, EAC urged agents to work for state legislation to prohibit free insurance, it urged commissioners to continue to investigate overcharges on auto collision mis-

NEW OFFICERS ELECTED

Chairman—John J. Maguire, Philadelphia.

Vice-chairmen—Arthur B. Fair, Natick, Mass., and Charles H. Frankenbach, Westfield, N. J.

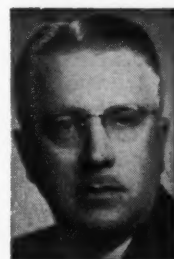
Treasurer—Valmore H. Forcier, Danielson, Conn.

Secretary—Arthur L. Schwab, Staten Island, N. Y.

classification by auto finance insurers and get the overcharges returned to policyholders, and it called for a merger of National Automobile Underwriters Assn. and National Bureau of Casualty Underwriters in the interest

(CONTINUED ON PAGE 35)

HARTFORD—Selling the local agent to the public, compulsory automobile and the competition of direct writers, free insurance, and other current problems of agents occupied National Board of State Directors



at its midyear meeting here. The NAIA executive committee met for four days preceeding the opening of the directors session.

One resolution adopted during the discussion of the public relations committee report authorized up to \$1,500 more to encourage participation in the insignia-slogan contest NAIA is conducting. This move attracted prompt and wide support.

Adoption of compulsory automobile insurance in New York need not lead to its adoption elsewhere, Joseph A. Neumann of Jamaica, N.Y., past NAIA president and chairman of the special auto committee, asserted. It is up to the agents in the other states.

Passage of compulsory in New York could have been avoided, Mr. Neumann believes. Inaction of insurers out of disunity had much to do with final passage, he said. Many insurers went the whole way in the fight, others did nothing. The consequence was defeat by default.

Pressure now will intensify in other states, he said and warned agents not to expect understanding by the public or press. Industry unity is essential to defeat compulsory—proposals to offset it must be big enough and early enough. In New York, he observed, it would be ironic, but the business could end up with compulsory and an unsatisfied judgment fund.

Dave McKown of Oklahoma City

(CONTINUED ON PAGE 35)

Report FTC Claims Concurrent Powers With States on A&S

If Upheld in Courts, New Stand Would Mean State Laws Could Not Oust U.S.

WASHINGTON—The federal trade commission is reported to have decided, by a 3 to 2 vote, that it has jurisdiction over A&S in all states, even those that may have laws and regulatory codes exactly paralleling those of the federal government.

This "concurrent jurisdiction," under which the federal government has equal but not overriding powers in situations where federal and state laws aim at the same objectives, is reportedly being asserted in connection with the FTC announcement scheduled to be made this week giving the commission's decision on American Health & Life, National Casualty, and Girardian.

In all three cases the hearing examiner decided that the FTC has jurisdiction only in those states in which state laws controlling A&S advertising are inadequate or absent. In their appeal to the commissioners from the examiner's decision, FTC attorneys argued that even though a state may have laws and regulations identical with those of the federal government the theory of concurrent jurisdiction permits the federal government to assert its powers.

In view of this well-authenticated report on the FTC's attitude, it appears that the efforts to obtain adoption of state A&S regulatory codes satisfactory to the FTC will not keep the FTC out of the regulatory picture without a court fight. However, these state efforts would still have the desirable effect of keeping Congress convinced that the states are doing a good job and should not have the regulatory job taken away from them and put into the exclusive hands of the federal government. Moreover, even though the FTC should be held by the courts to have concurrent jurisdiction, there would be ground for hoping it would not assert its authority in those states that are doing an effective job of regulating.

The theory of concurrent jurisdiction would not mean that federal jurisdiction could override that of the states if the state and federal laws differed. For example, state rating laws, which under the authority of the McCarran act can permit insurers to do what would otherwise be in violation of anti-trust laws, would still prevail over the latter, even under the concurrent jurisdiction theory.

FTC espousal of the concurrent jurisdiction theory for regulation of A&S could have far-reaching consequences for the insurance business, it is generally believed. Dissenters from the majority opinion were reported to be Chairman Gwynn and Commissioner Mason.

Late News Bulletins . . .

Nominate Magrath to Head N. Y. Board

Joseph J. Magrath, secretary of Federal, has been nominated for president of New York Board and Eugene C. Richard, vice-president of American of Newark is the nominee for vice-president. The election will take place at the annual meeting May 1. All other officers have been renominated.

Crichton New Variable Annuity Life Head

Robert A. Crichton, Washington counsel of American Life Convention and former West Virginia commissioner, has been named president of Variable Annuity Life of Washington, D. C., effective June 1. Mr. Crichton headed the West Virginia department from 1949 until joining ALC in 1952.

Program Set for Independent Adjusters Meeting

An attendance of more than 400 is expected for the annual meeting of National Assn. of Independent Insurance Adjusters May 2-5 at Miami Beach. The headquarters hotel has been switched from the Sans Souci to the Seville for reasons beyond the control of the convention committee.

The meeting will open with a business session Wednesday morning, and in the afternoon new officers will be elected. On Thursday morning there will be a showing of the National Board film "The Wind and the Fury," the story of the tornado damage at Columbus, Ga., Flint, Mich., Waco, Tex., and Worcester, Mass.

The convention will open officially after the movie with Marion B. Arnold, convention chairman, in charge. Commissioner Larson of Florida will give an address of welcome, and the response will be by Charles J. Peck, Chicago, NAIIA president. The speakers that morning will be Donald N. Clausen of the Chicago law firm of Clausen, Hirsh & Miller, on "Alleged Explosions," and Robert L. Lusk, educational director of Mutual Loss Research Bureau, on "Sources of Error in the Determination of Building Losses." The business sessions will end at noon, and that evening there will be a reception followed by a banquet and dance.

On Friday morning the movie, "Hazel, Connie and Diane" photographed by Gordon Davis of Mutual Loss Research Bureau, Mrs. Davis and Robert Lusk, will be shown, with Mr. Lusk giving the commentary. Mr. Peck will be in charge of the business session at which talks will be given by George D. Vail Jr., vice-president of Corroon & Reynolds, on "Psychology and Adjustments;" Robert L. Wiseman of Washington, most loyal grand gander of Blue Goose, on "Comments on Current Events;" George J. Christensen, secretary Federated Mutual Implement & Hardware, on "Dynamic Energy," and Patrick Magarick, secretary of Manufacturers Casualty, on "Cooperation Means Reciprocal Duties and Responsibilities."

The A. M. Best Co. will be host at a cocktail party that evening, and on Saturday business will be confined to association business and the induction of new officers. A banquet is scheduled that evening in honor of the new president.

NAII to Support N.Y. Compulsory

National Assn. of Independent Insurers, one of the leaders in the unsuccessful fight against the compulsory auto insurance bill in New York, has pledged its full cooperation now that Gov. Harriman has signed the bill.

In a letter to Superintendent Holz of New York, Vestal Lemmon, the association's general manager, said:

"Although we are still unalterably opposed to the theory of compulsory, in New York we are no longer dealing with theory but with fact. The solution to many problems will have to be worked out both before and after the law becomes effective next Jan. 1. As good citizens we can do no less than offer our full support and cooperation."

Round Out Panel for Indiana CPCU Forum on Atomic Energy

INDIANAPOLIS—James W. Crawford, vice-president of Indemnity of North America, and Claude M. Rice, insurance manager for Babcock & Wilcox Co., round out the panel of five experts in the atomic energy field who will speak at the atomic risks forum to be sponsored by Indiana chapter of CPCU here May 23. Mr. Crawford is senior underwriter for the company which wrote the liability coverage on the atomic-powered submarine, the *Nautilus*. His subject will be "Casualty Insurance in the Atomic Age."

Mr. Rice is the insurance buyer for one of the country's most active firms in atomic energy work. Babcock & Wilcox makes generating equipment for atomic installations. Mr. Rice is Chairman of the committee on policy forms and liaison with the insurance industry for the Atomic Industrial Forum, Inc.

Other speakers, announced previously, include: Reuel C. Stratton, assistant superintendent of Travelers, William Satterfield, insurance manager of the atomic energy commission, and Ambrose B. Kelly, general counsel Factory Mutuals.

John D. Phelan, vice-president of American States, and William S. Mortimer of Insurance Audit & Inspection of Indianapolis, are in charge of arrangements. A number of midwestern chapters of CPCU, plus the Indiana university school of business are co-operating with the Indiana chapter in arranging the forum. Reservations may be made with Mark W. Gray, secretary-treasurer of the Indiana chapter, 1107 Peoples Bank building, Indianapolis.

Haley to Ind. for Home Mutual

William J. E. Haley has been named Indiana state agent for Home Mutual of Appleton.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, April 24, 1956

	Bid	Asked
Aetna Casualty	121	125
Aetna Fire	70	71 1/2
Aetna Life	184	187
Agricultural	34 1/2	35 1/2
American Equitable	38 1/2	39 1/2
American Auto	23 1/2	24 1/2
American, (N.J.)	28 1/2	29 1/2
American Motorists	13 1/2	14 1/2
American Surety	91	94
Boston	37 1/2	38 1/2
Camden Fire	28 1/2	29 1/2
Continental Casualty	107	110
Crum. & Forster com.	63	65
Federal	37 1/2	38 1/2
Fire Association	53 1/2	54 1/2
Fireman's Fund	66 1/2	68
Firemen's, (N.J.)	42 1/2	43 1/2
General Re	49 1/2	51
Glens Falls	70 1/2	71 1/2
Globe & Republic	23 1/2	24 1/2
Great American Fire	40 1/2	41 1/2
Hartford Fire	162 1/2	164 1/2
Hanover Fire	45	46 1/2
Home (N.Y.)	49	50
Ins. Co. of No. America	95	97
Maryland Casualty	33	34
Mass. Bonding	40 1/2	41 1/2
National Casualty	54	Bid
National Fire	110	112
National Union	42	44
New Amsterdam Casualty	47	48
New Hampshire	43 1/2	45
North River	38 1/2	40
Ohio Casualty	100	Bid
Phoenix Conn.	79	81
Prov. Wash.	24	25
St. Paul F.&M.	58	59 1/2
Security, Conn.	50	51
Springfield F.&M.	57	58 1/2
Standard Accident	48	50
Travelers	75 1/2	76 1/2
U.S.F.&G.	59	61
U.S. Fire	26 1/2	27 1/2

Ark., Okla. Insured Get \$73,000 Back on Auto Misclassification

LITTLE ROCK—Commissioner Combs of Arkansas has announced that policyholders of Service Fire who were overcharged on auto collision premiums due to misclassification in the past several years, have been refunded more than \$36,000 thus far under the recheck of this business ordered a month or two ago by the department. The overcharges were made on vehicles financed by Universal CIT, a financing firm which owns Service Fire. Mr. Combs ordered Service Fire to poll its 25,000 Arkansas policyholders to determine the number of those overcharged. As of April 1, the company reported it had mailed questionnaires to 4,350 policyholders and had received 1,591 replies. Of these, 1,278 persons were refunded \$36,470.

According to Commissioner Hunt, Oklahomans have received more than \$37,000 this year in refunds from companies which overcharged policyholders on automobile collision premiums. The companies mailed questionnaires to policyholders, and the third company to report, Service Fire, has repaid \$11,326 to 1,040 policyholders and is now reporting results each month to the commissioner.

Earlier, Calvert Fire and Marathon reported refunds of \$25,677.

Colorado Reciprocal Is Put in Receivership

District Judge McWilliams at Denver has signed an order putting United Insurers, a reciprocal, and its attorney-in-fact, United National Service, into receivership. The action was requested by Commissioner Beery and was assented to by company officials.

Mr. Beery had revoked the company's license March 29. As receiver, Mr. Beery will cancel all the policies. In his action for receivership, he claimed the company was operating in an unsound condition and in a manner hazardous to the public, and that assets were in danger of being dissipated.

In its 1955 report, United Insurers showed assets of \$252,000, but Mr. Beery said only \$82,500 represented liquid assets. He said claims against United totalled \$97,000 on March 1.

Last year United Insurers wrote \$400,303 in premiums, and had \$350,000 in earned premiums, but had claims and expenses of \$402,000.

United Insurers is a reciprocal organized in 1945. The company is licensed in Colorado only, and has had poor underwriting results for most of its career.



A prominent group of Mississippians attending the annual Southern Agents Conference at Charleston, S. C., are shown above. They are (from the left) Warner Wells Jr. of Greenwood, vice-president of Mississippi Assn. of Insurance Agents, and Mrs. Wells; Robert E. Bobo Sr. of Clarksdale, immediate past chairman of the conference, and Mrs. Bobo, and David J. Brewer of Greenwood, a member of National Assn. of Insurance Agents casualty committee, and Mrs. Brewer.

W. W. Smith Named As U.S. Manager of London & Lancashire

Worthington W. Smith, deputy U.S. manager of London & Lancashire, is being elevated to U.S. manager and Gilbert Kingan, present U.S. manager and chief executive officer of the group, is retiring June 30.



W. W. Smith

Mr. Smith entered insurance in 1910 with Aetna Casualty and after military service in World War I joined London & Lancashire at New York.

When the offices of the indemnity company transferred to Hartford in 1921 he became metropolitan manager of the company. In 1929 he became a vice-president in charge of the New York branch and in 1939 he transferred to Hartford as vice-president and national manager of the company's affairs. Subsequently he was appointed deputy U.S. manager of the parent company and vice-president of the group's domestic fire companies.

Fireman's Fund Offers Trip Baggage Rider

A trip baggage and personal effects rider has been made available in most states by Fireman's Fund group. The rider can be issued concurrently with the company's trip-accident policy. It can be purchased to cover values from \$250 to \$2,000 for from three to 180 days.

Insurance Women of Galveston (Tex.) heard a discussion on "The Appraisal of Jewelry" by Irving Clark, jewelry authority, at the April meeting.

Highlights of the Week's News

- Says business needs to redouble efforts to attract needed manpowerPage 15
- Comparison of New York, Massachusetts compulsory lawsPage 6
- Urges fire and casualty agencies to use life sales to offset competitionPage 11
- NAIC zone 5 commissioners nominate TaftPage 3
- F. W. Wrenn reports fire deductible is making steady progressPage 13
- Program completed for NFPA annualPage 28
- Los Angeles I-Day attracts large attendancePage 33
- E. S. Windsor tells EAC that agents want more competitive form of mercantile blockPage 8
- A. A. Korte, surety veteran of Chicago, is retiringPage 21
- Factory Mutuals have biggest loss in GE explosionPage 21
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- Andrews replaces Markel as head of American F&CPage 9
- U. L. lable volume hits record in 1955Page 32
- W. H. McGee & Co. names 7 officersPage 32
- Rev. Morris starts as full time president of teetotaler insurerPage 32
- Associated industries of Missouri oppose model WC billPage 36

NAIC Zone 5 Commissioners Nominate Taft; Hear 10 Speakers on Problems and Plans

DALLAS—Problems facing the insurance industry and plans for improvements were discussed by 10 speakers at the zone 5 meeting here last week of National Assn. of Insurance Commissioners.

Some 425 registrants, said to be the largest zone meeting in NAIC annals, attended the two-days of meetings and social functions.

Major topics included the study now under way in Texas for application later this year of a graduated rating plan for dwelling fire insurance, the challenge before the business of the compulsory automobile insurance law in New York; problems in the group life insurance field, and the FTC rules on A&S advertising.

The commissioners handled their business in a brief executive session. Ford S. Taft of Wyoming was nominated zone chairman and will be elected at the national meeting in June at St. Louis. He was named to succeed Saunders of Texas, who had been elected at the Dallas meeting for the unexpired term of Garland A. Smith, former Texas life commissioner. The group selected Cheyenne, Wyo., and Colorado Springs as sites for the 1957 and 1958 zone meetings.

Commissioners in attendance included: Saunders, Wentz and Brownlee of Texas, Combs of Arkansas, Beery of Colorado, Sullivan of Kansas, Apodaca of New Mexico, Hunt of Oklahoma, Taft of Wyoming, Pansing of Nebraska, Martin of Louisiana, Cravey of Georgia, Davis of Mississippi, Leggett of Missouri and Northington of Tennessee.

Governor Shivers, in his luncheon address, described the "recent illness" of the Texas insurance industry as a minor one and not an epidemic. He said the ills came about largely because the Robertson law, enacted in 1905, required companies selling insurance in Texas to invest a certain percentage of their income within the state. "This law drove many eastern companies out of the state because investment opportunities at that time did not seem to warrant their continuing activity here. Consequently, a great many new insurance companies were organized within the state. As our economy expanded, the activities and profits of the Texas companies also expanded," the Governor said.

He pointed out that it should not be difficult to understand how and why Texas attracted a large number of promoters, fly-by-night operators "and all the other unwanted and unwelcome camp-followers of prosperity. Prospects of high profits and relatively low requirements produced a crop of unhealthy companies, intent on their own selfish purposes and completely unaware of the serious responsibilities of an insurance company.

"The failures of several large companies in 1954, revealed to the public and to the legislature the need for drastic revision of the insurance code. The Texas board of commissioners took the lead in pushing the new laws that were needed. The legislature acted with resoluteness and directness to eliminate the weaknesses in our insurance laws. As a result, a number of companies have been placed into receivership, others have failed to renew their licenses to operate and still others are facing action by the board," he said. "The Texas insurance industry as a whole is a responsible, sound industry which is making untold contributions

to the progress of the state and nation. And the vigor and judgment of the Texas commission, strengthened by new laws passed by the legislature, have protected this healthy, growing industry from the abuses of unworthy and incompetent operators."

Texas Commission Chairman Saun-

ders said the commission is dedicated to creating and maintaining "an economical segment" of the industry "which will be a credit to the progress of the nation."

It may be, he said, that politics has played more than its fair share in the criticism of the Texas situation, or it may have been "an indefatigable interest on the part of newspapers and other media by which a great amount of adverse publicity to the industry resulted." He said the Texas industry has had eras of about 10 years of rapid

expansion, then a period of consolidation, and another of expansion. "I think today we are going through a period of consolidation," he said.

Ridding the state of shaky companies now to prevent severe failures in the future is part of the goal of the present re-licensing program, he said.

"We are at the present time about 60% completed in our re-licensing program and will in my judgment be able to make the deadline of May 31," he said. "Therefore, any company which

(CONTINUED ON PAGE 30)



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keep more business . . .
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a progressive company
for progressive agents.

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Ross Explores Values for Agent in Group Unity

HARTFORD—The independence of the local agent, his freedom of action, is a legacy that has been well guarded through the years, Kenneth Ross of Arkansas City, Kan., told Eastern Agents Conference at its annual meeting here. Featured speaker at the Tuesday luncheon, the president of National Assn. of Insurance Agents declared that nothing needs more consistent defense than this independence.

The insurance business is too big,

the American economy is too complicated, for one agent or 100 agents by themselves to protect or advance their interests in those areas where group action means survival and a favorable future, he declared.

This is a critical period for members of the agency system and their companies, he said. Competition has intensified and will continue to mount. Lines are being drawn and decisions made which will exert a strong influ-

ence on insurance and its distribution for many years to come.

While presently the competitive problem of local agents is symbolized by direct writers, he said, the local agent's real problem is not one of price but of merchandising. This the agents see today, and because they understand their problem, their mood has altered from the gloom that pervaded their ranks a short two or three years ago to a feeling of confidence and hope.

The understanding of their problem and the restoration of their confidence has come from group discussion and

exchange of information, experience and ideas, from increased conference and discussion with companies, and from hammering out, in debate and interchange, of a common purchase.

Also, he said there have been some very effective association efforts to sell the local agent and his services through joint advertising by local boards and state associations. Obviously, the local agent has to make his own way, do his own work, build his own clientele, prove his worth with individual insured. But these group activities in identifying the local agent have been so effective all over the country that they are having a real sales impact.

Not only have associations provided the real rallying point for the agency system, in as critical a time as it has ever faced, but it has produced practical, positive programs which agents could not have initiated in any other way. Agents could not have afforded or they would not have spent the money to do this job individually.

The position of the independent agent can be eroded and this erosion can occur with surprising rapidity if the agent stands locally alone, he declared.

There are those in company ranks who though they may wish the local agent well, are not entirely convinced that the agency system of distribution is the soundest method of distribution, economically. The rising pressures of competition have increased the number of such company people, he said. If this feeling should grow and reach the point where decisions are made, and if it should exert its influence at that point, the effect on this method and tradition of distribution will be serious.

What would the defection of one large agency insurer do to the agency system? Much of what agency people, companies and agents, take for granted would be gone over night, he asserted.

Atmosphere exerts a powerful effect on decisions. What is more apt to maintain respect for the agency system than a strong organization of successful agents—agents who have so high a regard for the values in their business, and the way it is conducted, that by vigorous, intelligent organization and association activity they convince all of the vitality of their system. None will then be tempted to throw it away. Those who feel no particular loyalty to the system, though they live by it, will be restrained by their own self interest. After all, he noted, the primary and constant responsibility of stock insurer management is to its owners, its stockholders and directors.

Up to now, in general, agency companies have made decisions with respect to competition that are not contrary or corrosive to the agent's interests. But decisions could be made that would reduce the agent's effectiveness, independence and freedom to act. But up to now, there has been a consistent effort by agency insurers to maintain the essential values of the agency system.

How much easier would it be to disregard those values if there were no local boards, state or national associations. What evidence would there be to shape decisions in favor of the agency system.

It takes a long time for an association to grow effective committees capable of getting outstanding results, he pointed out, and he cited the public relations, automobile, casualty, property, and other committees of NAlA, and the state and local conference committees. Probably at no previous time in the history of the business have these committees had the respect of others in the business they have today.

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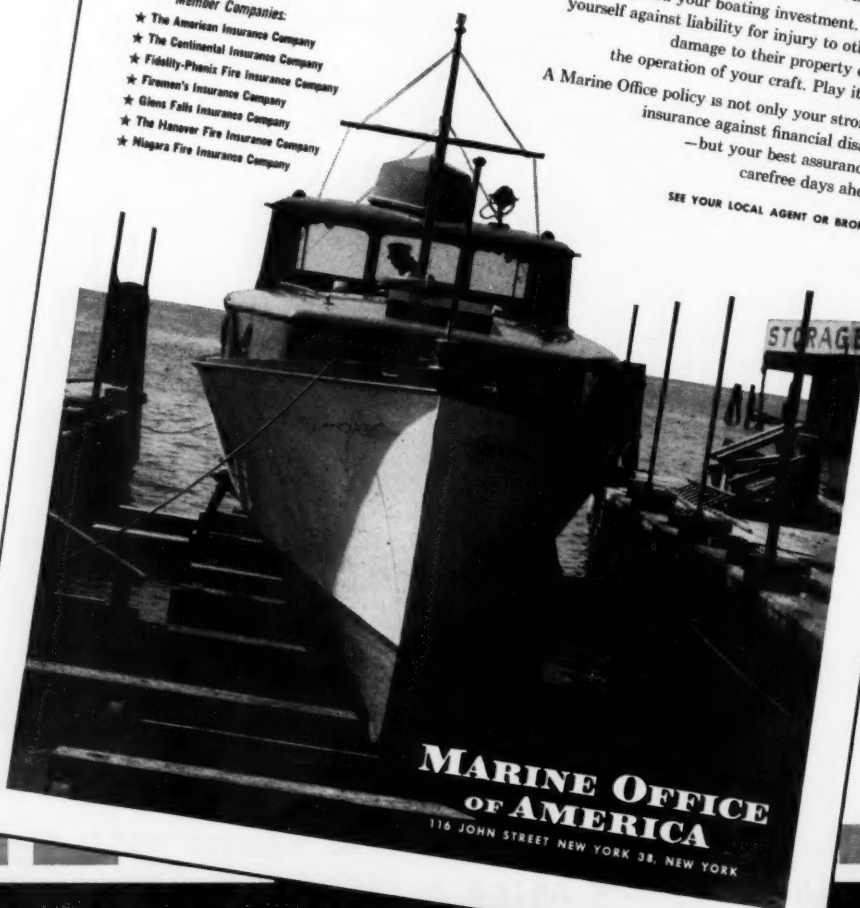
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alerting owners of pleasure boats to the need for adequate yacht insurance protection.



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Sid Maas
Lindsey H.S. Graduate
14 years experience
—all with Brown
Brothers Adjusters



CHICO
John Manes
Chico State Col.
Graduate
18 years experience
—all with Brown
Brothers Adjusters



EUREKA
Carl Nath
Mass. Maritime
Academy Graduate
7 years experience
—all with Brown
Brothers Adjusters



FRESNO
Vernon Neufeld
Reedley College
8 years experience
—all with Brown
Brothers Adjusters



MARYSVILLE
Earl Bramall
Business College
13 years experience
—all with Brown
Brothers Adjusters



MODESTO
Malcolm McDonald
San Jose State
College Graduate
14 years experience
—all with Brown
Brothers Adjusters



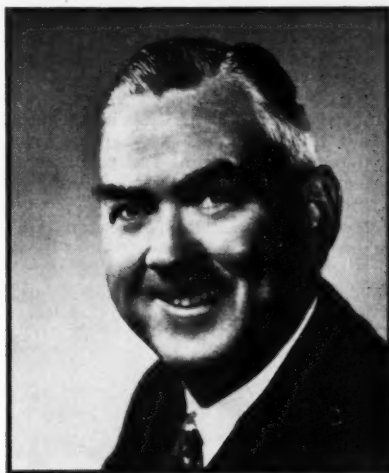
OAKLAND
John Rose
University of Calif.
Graduate
19 years experience
—11 years with
Brown Brothers
Adjusters



REDDING
Russell Bales
Chico State College
10 years experience
—all with Brown
Brothers Adjusters



SACRAMENTO
Wes Brown
University of Calif.
Graduate
17 years experience
—all with Brown
Brothers Adjusters



SAN FRANCISCO
HOME OFFICE
Ted D. Brown
(General Manager)
Univ. of Calif. Graduate
22 years experience—all with
Brown Brothers Adjusters



LOS ANGELES
Randy Howarth
(Manager, Southern California)
University of Mississippi
20 years experience—all with
Brown Brothers Adjusters

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Proudly presents

**The Managers of its Offices
in 22 Cities in California and Nevada**

Throughout 32 years of successful independent insurance adjusting experience for many insurance companies, our aim has been to provide prompt, competent and courteous claims service for all companies, their agents, their brokers and their assureds.

Brown Brothers Adjusters was founded in 1924 by Arthur E. Brown at Sacramento. Gradual and progressive development during the intervening years is represented by our 22 fully staffed branch offices in the two states.

The Multiple-Line adjusting service offered by Brown Brothers Adjusters includes automobile, aviation, fire, malpractice, inland marine and all casualty and liability lines. This service is rendered on a 24-hour basis throughout California and Nevada.

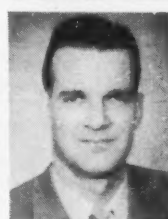
We thank the Insurance industry
for the confidence and continuing
support accorded us.



Brown Brothers Adjusters
California-Nevada



SAN FRANCISCO
Joe Muzio
University of Calif.
Graduate
18 years experience
—all with Brown
Brothers Adjusters



SAN JOSE
Orlo Hill
Washington State
Coll. Graduate
7 years experience—
6 years with Brown
Brothers Adjusters



SAN LUIS OBISPO
Al McMahan
University of Iowa
Graduate
11 years experience
—all with Brown
Brothers Adjusters



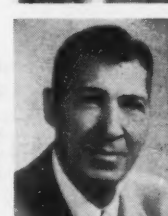
SANTA ROSA
Paul Wallace
Veteran Army, Navy
& Marine Corps
26 years experience
—13 years with
Brown Brothers
Adjusters



STOCKTON
Lewis Lee
Stanford University
Graduate
18 years experience
—15 years with
Brown Brothers
Adjusters



TULARE
D. Bruce Hogg
Canadian Schools
11 years experience
—4 years with Brown
Brothers Adjusters



LONG BEACH
Frank Baumann
Univ. of Minn.—Minn.
College Law Graduate
25 years experience
—5 years with Brown
Brothers Adjusters



PALM SPRINGS
Allan Smith
Univ. of Iowa Grad
6 years experience
—1 year with Brown
Brothers Adjusters



SAN BERNARDINO
Hollis Blake
Illinois Schools
10 years experience
—8 years with Brown
Brothers Adjusters



LAS VEGAS, NEVADA
James McDaniel
The Citadel Grad
9 years experience—
6 years with Brown
Brothers Adjusters



RENO, NEVADA
Frank Price
San Diego Hi
Graduate
11 years experience
—5 years with Brown
Brothers Adjusters



SAN DIEGO
Arthur Mann
Washington State
College
12 years experience
—4 years with Brown
Brothers Adjusters

Please refer to leading claims service directories for the addresses and telephone numbers of our 22 offices.

Comparison of N. Y., Mass. Compulsory Laws

The new compulsory automobile liability law of New York differs from the one in Massachusetts, the only two states which have compulsory automobile laws, in several respects, including the provision that policies are coterminous with car registration in Massachusetts and they need not be coterminous with registration in New York. A point by point comparison of the laws follows:

Motorists subject to requirements:

New York—All owners of motor vehicles registered in the state, and all owners and operators of motor vehicles used in the state, resident or non-resident. **Massachusetts**—All owners of motor vehicles registered in the state for more than 30 days in any year.

Coverage required: **New York**—Bodily injury and property damage; limits 10/20/5; coverage prescribed by regulation; territory: U.S. and Can-

nada. **Massachusetts**—BI; limits 5/10; coverage prescribed by statute; territory: highways of Massachusetts only; guest coverage excluded.

Proof of insurance: **New York**—Certificate of insurance; but after first year, upon renewal of registration, statement by applicant that proof is in effect is acceptable. **Massachusetts**—Certificate of insurance.

Notice of cancellation or termination of insurance: **New York**—10 days' notice to named insured required upon cancellation or failure to renew by insurer. Upon termination by cancel-

lation or failure to renew, notice shall be filed by insurer with commissioner within 30 days after effective date of termination. **Massachusetts**—20 days' notice of cancellation, with reasons, required—to other party and registrar. Notice of intent not to renew to be given by insurer before November 16. Cancellation or refusal to renew reviewable by board of appeal.

Expenses of administration: **New York**—Assessed against insurers. **Massachusetts**—Paid out of general funds.

Penalties: **New York**—Detailed penalty provisions relating to operation without proof, applicable to motor vehicles registered in New York or elsewhere. Violation results in revocation and is punishable as misdemeanor by fine of \$100 to \$1,000 and or imprisonment for one year. **Massachusetts**—Operation without required proof is punishable by fine of \$100 to \$500 or imprisonment for one year.

Rate making: **New York**—insurers. **Massachusetts**—By insurance commissioner.

Supplementary laws: **New York**—Financial responsibility law requiring security and proof after accident, and applicable to convictions and judgments, remains in force. **Massachusetts**—In action against uninsured non-resident court may order deposit of security. Operating license suspended for failure to satisfy property damage judgment.

Allstate Filing OK But Not "Deviation"

Following a conference, Commissioner Gold of North Carolina has asked Allstate to refile its 10% deviation in general liability lines without referring to it as a deviation. He said that since this is an uncontrolled line there can be no deviation but there is nothing to prevent Allstate from filing its own rate, which may be lower than the bureau rate.

The question arose when the department questioned Allstate's lack of North Carolina experience as justification for reduced rates on most of the general liability lines. W. J. Heinrich of Chicago, assistant secretary of Allstate, flew to Raleigh for the conference, after which Mr. Gold said the question had been removed but the lower rate would not be classed as a deviation.

At the request of the department, Allstate withdrew its special rule for rating unique or unusual conditions and its hazards covered rule.

Memphis Replaces 75 Auto Covers with Two

Memphis estimates it has saved \$10,000 by replacing 75 old policies with two new policies to cover 1,340 city vehicles with bodily injury and property damage liability and comprehensive fire and theft.

The BI and PD cover was awarded to Stanton & McGehee agency and the comprehensive to Treadwell & Harry. Eight other agencies submitted competitive bids.

The city's advisory committee has approved a plan to divide the rest of the city's coverage among 133 local agencies.

Prestwick Co., a general insurance agency, has been organized in Evanston, Ill., by T. W. Hufstader, president of Bonnie Buick Co., one of the largest Buick dealerships in the Chicago area. Richard E. Haigh has been elected president and Mr. Hufstader secretary-treasurer. The agency will write all lines, including life.



PORTRAIT OF PROGRESS

We are pleased to introduce our Personal Lines Department and be among the first to offer this facility to agents and brokers. Here in one unit all personal coverages can be underwritten, except automobile, yacht and aviation. Our new division not only eliminates overlapping between traditional lines but affords the many advantages and convenience of dealing with one department. Personal insurance has long been a specialty of our office and this is but another step in our effort to keep abreast of this fast expanding class of business.



CHUBB & SON, Underwriters

90 John Street, New York 38, New York

Managers

FEDERAL INSURANCE COMPANY • VIGILANT INSURANCE COMPANY
THE MARINE INSURANCE CO., LTD. • THE SEA INSURANCE CO., LTD.
LONDON ASSURANCE (MARINE DEPT.) • ALLIANCE ASSURANCE CO., LTD.

Ocean and Inland Marine • Transportation • Fire and Automobile • Casualty • Surety • Fidelity
Aviation Insurance through Associated Aviation Underwriters

Riley Comments on Ad-Sales Editorial

Walter H. Riley of American Surety comments that the editorial, "Rate Advertising to 'Sales'," in the March 8 issue raises several questions. He writes:

For instance, how can one compare advertising for a product purchased daily, such as cigarettes, toothpaste, etc., with something bought annually, or less often, such as insurance? From this angle insurance may now be advertising more than many so-called "heavy" advertisers.

As advertising is considered an acquisition cost in our business, is it not relevant to determine whether some companies that do no advertising may be utilizing their acquisition cost for other expenditures, such as commissions, brokerage, traveling expenses, direct mail material, etc.?

In fixing a selling price a manufacturer normally allows for marketing expense, which includes advertising. He may allot a definite account for the latter. How do such figures compare with the amount available to insurance companies under the percentage provided for acquisition cost in the rate?

Admitting that insurance companies have never been particularly successful in establishing "brand names," would it not be better to compare their advertising with that of products which are sold without brand name advertising? For instance, if you went out to buy glycerine would you ask for any particular brand?

Perhaps the best proof that insurance companies as a group are not doing enough advertising is the fact that they have thus far failed to get their message across to the public to a satisfactory degree. But here we run into a public relations angle.

And as a last argument, can you imagine the insurance department of any state permitting an insurance company to spend as much on advertising per dollar of sales as a cosmetic manufacturer?

The advertising experts seem to know only one thing about the insurance business, and that is that the insurance companies do not spend enough for advertising. Incidentally, why doesn't somebody tell those experts that they and their companies do not spend enough on insurance?

Allstate Opens Regional Office at St. Petersburg

Allstate has opened a regional office at St. Petersburg, Fla. The state had previously been served by the company's Atlanta regional office.

The new office occupies 23,000 square feet of leased space in St. Petersburg's Snell Isle shopping center and is staffed by 110 employees.

Headed by Richard A. Parker, resident manager, the staff includes Hal T. Harper, sales manager; Charles S. Brown, claim manager; Orville A. Allen, personnel manager; Robert E. Walker Jr., underwriting manager; Thomas H. Cole, services manager, and Olin E. Walton, analyst.

The St. Petersburg regional office is the 28th for Allstate. It supervises district service offices in Jacksonville, Miami, Orlando and Tampa and 20 sales offices throughout the state.

N. E. 1752 Club Slate

Stuart E. Freeman of Norfolk & Dedham Mutual has been nominated to succeed Richard G. Hartigan, special agent of Worcester Mutual, as

president of New England 1752 Club. The election will be held at the annual meeting in May.

Others nominated include Russell A. Howard of Berkshire Mutual, vice-president, E. Warren Burke of Shelby Mutual, secretary, and Robert G. Geary of Dorchester Mutual, treasurer.

Kill Mass. Auto Bills

Massachusetts legislature has voted down bills to create a state compulsory automobile insurance rating bureau and to increase compulsory limits from 5/10 to 10/20.

Buyers' Society to Meet May 8 in N. Y.

American Society of Insurance Management will hold its first semi-annual meeting, May 8, at Hotel Statler, New York City.

A joint breakfast meeting of the executive committee and regional vice-presidents will touch off the session at 8 a.m. Directors and chapter presidents will hold a joint luncheon gathering at 11 a.m. The business meeting will start at 2 p.m. and will feature reports from President Frazier S. Wil-

son, United Air Lines; Managing Director Peter A. Burke; Treasurer Raymond V. Brady of Chase Manhattan Bank; 1st Vice-president Joe T. Parrett, Carnation Co. and 2nd Vice-President H. Stanley Goodwin, McKesson & Robbins.

James J. Reid, member of the employees' compensation appeals board of the Labor Department, will speak at the dinner, on an appraisal of workmen's compensation.

Homer P. Hudson of Greenfield, O., has sold his agency to William Holdren of Washington Court House, O.

how to get a bigger bite of the CONTRACT MARKET in 1956!

THE tremendous construction boom is rolling right along into 1956—to many authorities this year looks even bigger!

Insurance agents who want to get a *bigger* bite of Contractors' business can profit from American Surety's more than 70 years' experience in this field.

Our specialists relieve you of the details, with top-notch help for you and contractors. And our country-wide network of 39 branch offices provides both local and nation-wide service.

For extra profits—sell the entire account!

Contractors' insurance needs are a lot broader than appear on the surface. Don't overlook such profitable lines as Contract Bonds, Equipment Floaters, Valuable Papers Insurance and Employee Bonds in addition to casualty!

Our current issue of "Mailroad to Profits" gives you the full story about the Contract Market ... points out often overlooked areas for *extra* commissions in this field ... gives you sales hints for getting this business. Mail the coupon below for your free copy of "Mailroad to Profits" today.



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WINDSOR TELLS EAC

Agents Want More Competitive Form of Mercantile Block

Without changes the new mercantile block form will not meet its objective as a competitive weapon, E. Stuart Windsor, chairman of the conference committee of Eastern Agents Conference, said in his report to EAC in Hartford. His committee feels, he said, that independent filings made by well-known and reputable competitors will permit them to syphon off the more desirable risks.

To be competitive, some changes must be made in the rating plan of the mercantile block, particularly with respect to the loading for burglary and "other perils" coverages. However, he added, changes are being made.

Mr. Windsor pointed out that homeowners policies consider extension of

coverage on private structures and rents as additional amounts of insurance if the main dwelling is completely destroyed. Eastern Underwriters Assn. has recommended the same procedure for regular dwelling forms.

Previously contents technically were required to be insured in the dwelling described in the policy and moved elsewhere before the 10% extension privilege applied. Under a recommended change in wording, this is no longer necessary. This change will have the effect of automatically covering, up to 10% limit, personal property in a secondary residence. However, property held for sale, or rental or rented to others, except property in a residence of insured if rented only occasionally, has been excluded.

Companies have recommended further restrictions on coverage of the new special form and broad form for attachment to dwelling policies, he continued. The recommendation is to add to section B of the special form and section 5C of the broad form the words "including the backing up of sewers or drains" and "seepage, leak-

age, or influx of water through basement walls, foundations, basement floors or sidewalks."

He said there has been recommended an earthquake endorsement for dwelling policies which would eliminate the need for a separate policy. Rates presently are shown in the earthquake manual as 80% coinsurance rates, but the coinsurance clause is not required in connection with the dwelling endorsement. A \$2 minimum premium irrespective of term also has been recommended.

Eastern Underwriters Assn. has recommended insertion of a paragraph in the dwelling contents form permitting removal to another residence of insured anywhere within the state in which the policy now covers, without requiring an endorsement to describe the new location.

The rating methods research committee of EUA is continuing its study of a form for covering farm property, together with a rating plan patterned after the one currently in use in New England, California and Minnesota, which would recognize superior types

of farms and produce an equitable premium for the ones of poorer grade.

An EUA committee also is continuing its study of mechanically processing small dwelling policies.

Apparently there is no uniform method for handling return premiums where general rate level revisions result in reduced rates, Mr. Windsor said. EUA has recommended a rule which in substance would make revisions effective on the date of announcement by the rating organization. The revised rate levels would apply to all insurance inception dates subsequent to the date of announcement, except that renewals of policies with inception within 45 days after the date of announcement might be written at the rate levels prevailing immediately before the announcement. The reductions would not apply to policies having inception dates prior to the effective date of rate level reduction. Short rate earned premiums would be charged on any policies cancelled for rewriting.

Mr. Windsor said there are three methods now used in EAC territory: Cancel policy on a short rate basis and rewrite at new published rates. Endorse, showing (1) short rate earned premium at old rate and (2) pro-rata earned premium to expiration and a return premium calculated to show the difference between old and new rates on the basis of the calculation. Or, instead of endorsing policies at the time new rates are effective, some agents have waited until expiration of the policy or its next premium installment date, when the policy was endorsed as of the effective date of the new rate, using the above endorsement formula. Therefore, insured received credit for the new rate on the old policy when being billed for the premium on the renewal.

Mr. Windsor said the right to issue an endorsement on existing policies, provided the formula were used, should be made available in all rating jurisdictions, for it may be considered more desirable to eliminate the extra cost of cancelling and rewriting and avoid forcing too many of an agency's accounts to expire at the same time. This would at least provide agents with a choice of methods, and they could use the one they considered most satisfactory, he said. His committee will make a report on this to the conference committee, and he asked agents to send any recommendations to him through state association secretary.

The members of the EAC committee are Warren A. Bodwell of Manchester, N.H., R. M. L. Carson of Glens Falls, N.Y., Preston H. Hadley of Bellows Falls, Vt., John J. Maguire of Philadelphia, H. Earl Munz of Paterson, N.J., Robert S. Preston of Providence, and Mr. Windsor. EUA representatives are J. R. Robinson, U.S. manager of Phoenix Assurance; D. W. Florence, vice-president of Commercial Union; J. K. Hooker, vice-president of Automobile, and L. M. Michel, vice-president of Fire Association.

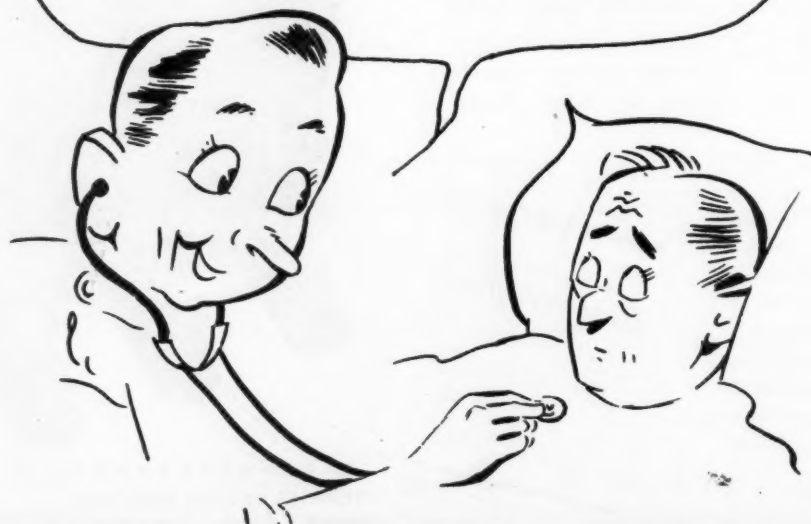
Elect in Pacific County, Wash.

Tracy Moore, Ilwaco, has been elected president of Pacific County (Wash.) Assn. of Insurance Agents. He succeeds Oscar F. Holm of Raymond. Sam Eichner, Raymond, was elected vice-president and John Henderson, Raymond, was elected secretary-treasurer. All of the terms are for three years. Retiring President Holm announced that a Safe-Ten program is being established both in Raymond and Ilwaco.

Cook County Fire Underwriters Assn. will hold its annual golf outing at River Forest country club, May 15.

PEPPY FREDDY, the fieldman, says:

BONDING TROUBLE, MR. AGENT?
THAT'S EASY TO CURE . . .
WESTERN SURETY
OFFERS YOU ONE APPLICATION FORM
FOR ANY KIND OF BOND AND ONE
DAY SERVICE, TOO. TRY IT—YOU'LL
BE LIKE 10,000 AGENTS WHO
ARE ALREADY BENEFITTING BY
THIS WONDERFUL REMEDY



WESTERN SURETY COMPANY

One of America's Oldest Bonding Companies

39 South LaSalle Building
Chicago 3, Illinois

1714 Cedar Springs at Akard
Dallas 2, Texas

Sioux Falls
South Dakota

102 East 9th Street
Kansas City, 6, Mo.

Andrews Replaces Markel as Head of American F. & C.

T. Coleman Andrews, former commissioner of internal revenue, has been elected president of American



T. Coleman Andrews



Irvin Markel

Fidelity & Casualty in a move to separate the company's management from Markel Service. Markel is the company's underwriting, safety engineering and claims unit.

Mr. Andrews retired from his government position a year ago to become chairman of American F. & C. The four Markel brothers, Irvin, president, Lewis, vice-president and treasurer, and Milton and Stanley, secretaries, relinquished their positions in the insurer but retained stock control and will continue as officers of Markel Service. Virginia state corporation commission had recommended that American F. & C. drop the interlocking management set-up between itself and Markel Service.

Insurer directors elected were Warren F. Curtis, Richmond insurance producer; Gustave Drescher, vice-president of Marine Midland Trust Co. of New York; Robert Henley, chairman of the investment committee of Life of Virginia; Robert T. Marsh Jr., president of First & Merchants' National Bank of Richmond; W. Harry Schwarzschild Jr., president of Central National Bank of Richmond; William H. Trapnell, president of Commonwealth Natural Gas Co. of Richmond; Fielding L. Williams, Richmond attorney, and Samuel Feller, New York attorney.

R. I. Agents, Company Offer Scholarships

Rhode Island Mutual is offering a \$200 scholarship and Rhode Island Assn. of Insurance Agents a \$100 one to qualified candidates to the four week summer insurance institute at Rhode Island university starting June 12.

Instructors for the institute will be Loring H. Hemenway, superintendent of education, and Ernest Manchin, assistant superintendent of education, both of Employers group. The institute has been approved by the New York department as qualification for admission to New York brokers' examination.

Coverages to be examined include

LIABILITY UNDERWRITER
Heavy Auto—all forms. No W. C.—some Burglary, Fidelity and Bond experience very helpful. **\$9,000**

COM'L A & H UNDERWRITER & PRODUCER
Home Office Ohio. After one year's experience can look forward to Branch Managership. **\$7,500**

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220 S. State St. WAbash 2-4800 Chicago, Ill.

plate glass, burglary, bonds, comprehensive liability, general liability, workmen's compensation, A&S, boiler and machinery, auto physical damage fire, inland and ocean marine, and multiple peril.

Insurance Women of Hidalgo county (Tex.) elected the following officers at the April meeting: Mrs. H. E. Smith of the Moore & Smith agency, McAllen, president; Mrs. Margaret Wilson of the Sidener agency, Weslaco, 1st vice-president; Mrs. Margaret McKinnie of the Moore & Osborn agency, 2nd vice-president; Mrs. L. I. Wilson of the Carter agency, Elsa, and Mrs. Alvin T. Syptak of the Roberson-Carter & Powell agency, Weslaco, secretaries, and Miss Winnie Lee Reeves of the Brittons agency, Weslaco, treasurer. The installation and bosses' night banquet will be held May 26 at McAllen.

Unity Fire Names Heinze Chairman, de Magnin President

Unity Fire & General has named John A. Heinze chairman and Paul R. de Magnin president. Mr. Heinze has been president since 1942. Mr. de Magnin has been 1st vice-president in charge of foreign operations.

Three new directors named at the annual meeting were Dominique Leca, chairman of l' Union group of Paris,

Alexander Cannet, general manager of l' Union group, and Alexander King-an Jr., a partner of Fester, Fothergill & Hartung, New York general agents of the company.

Swartz, Coyle & Kelley, new Boston general agency, held open house at its office, 164 Newbury street. Partners in the agency are George Swartz, who has been a Boston local agent, Richard F. Coyle, former Pawtucket, R.I., local agent, and Thomas A. Kelley, formerly casualty underwriter of Phoenix Indemnity.

"60% of our auto business has been brought in by SAFECO"



Office and staff of Stanfield's Insurance, Mechanicsburg, Penna.

writes Ed Stansfield, of Stanfield's Insurance, Mechanicsburg, Penna.

"At present we have over 600 policies in force—and of these, we find that 60% or better have been drawn into our agency by the SAFECO plan. Many of these customers are also buying Homeowners and Ultra Policies. In addition, our overhead has been reduced and we're making higher net profits with more selling time."



SAVE YOUR AUTO BUSINESS WITH

SAFECO

the modern auto insurance for safe drivers

MAIL COUPON TO GET THE FACTS

SAFECO INSURANCE COMPANY OF AMERICA
General Insurance Building, Room 301,
Seattle 5, Washington

I am interested in getting the facts on SAFECO.

Agency Name _____

Street _____

City _____ Zone _____ State _____

Signature _____

Bituminous Casualty Puts Second Seat Belt in Company Autos

Bituminous Casualty is equipping all of its company cars with a second seat belt for the front seat. Bituminous installed seat belts in its 125 company cars two years ago, and feels the experience warrants the additional installation. There have been four major accidents which have demonstrated the effectiveness of seat belts. D. M. Glancey, who heads the fleet safety

program, said that in one of them the car was completely demolished but the driver escaped with only minor injuries. Two of the accidents were collisions and in both cases the Bituminous Casualty drivers, wearing belts, escaped with far less severe injuries than the drivers of the other cars involved.

Bituminous was the first major casualty company to adopt seat belts for its cars.

Prudential, which entered the individual A&S field in July, 1952, has just issued its 600,000th such policy.

Fry Named Manager of N.Y. Suburban Office

Boston and Old Colony have created a New York suburban region and named Carl F. Fry manager. He will supervise the companies' multiple line business of the Newark and recently established Mineola, N.Y., branches.

Mr. Fry joined the companies in 1948 as special agent and was later promoted to state agent in northern New Jersey. Recently he has been fire manager at New York City.

Wellington H. Simpson will continue

as manager in New York City, with William E. Lowe as inland marine manager and Stephen J. Leavey Jr. as fire manager.

Mr. Leavey is being promoted from assistant manager of the fire department. He joined the company in 1954. Mr. Simpson joined the company in 1946 and was appointed manager at New York City in 1954. Mr. Lowe has been with the company since 1946.

N.J. Bill Would Put All UJF Cost on Uninsured

New Jersey senate has passed a bill which would put the full burden of financing the state's unsatisfied claim and judgment fund on the uninsured driver. When the fund was started two years ago, insured car owners paid \$1 and uninsured car owners paid \$3 to the fund. The motor vehicle department announced last December that it would tax insured car owners an additional 75 cents and uninsured car owners \$2.75 this June. The new bill would require uninsured to pay as much as \$8 a year.

S.C. Commissioner Bars Free Cover with Sales

Commissioner Kelly of South Carolina has barred the offering of free insurance in connection with the sale of merchandise or personal service. Mr. Kelly said the sense and spirit of insurance statutes are opposed to any plan that detracts from the dignity and strict regulation of the insurance business.

A state statute requires licensing of all insurance agents, he said in his ruling, so that a salesman of merchandise or services who gives free insurance violates the law unless he is licensed as an agent.

Mass. OKs NAII Auto Plan

National Assn. of Independent Insurers has received approval of its automobile statistical plan in Massachusetts. The plan has now been approved for use in all states, the District of Columbia, Alaska, Hawaii, and Puerto Rico.

Worcester Society Elects

New officers of Worcester (Mass.) Insurance Society are Leo Z. Gordon, past president of Worcester Board, president; James R. Leizure Jr., vice-president; Edwin E. Riley, secretary; and John H. Baldwin, treasurer; and Dwight A. Perkins, Edgar E. Sampson and Roy Fraser Jr., executive committeemen. Committee chairmen are Mr. Fraser, program; C. Arthur Marsh, library; Lorton C. Walden, membership; Milton N. Seagrave, publicity; Clifford O. Griffith, safety council representative; James J. Marshall II and Frank Mills, legislative; and Clifford M. Dunham, editor of the newsletter.

Needed Broader Theft Clause

A Jacksonville, Fla., man told police he was insured for just about everything but doubted that any of it covered the theft he reported. C. T. Kirkman said a burglar stole all 12 of his policies.

Knowing

business interruption coverages pays off!

Are you really checked out on "Time Element" insurance. Do you know when to recommend the Gross Earnings form of Business Interruption coverage...when to recommend the Contribution form?

Are you completely familiar with Extra Expense...Rent Insurance...Leasehold Interest...Contingent Business Interruption...Sprinkler Leakage Business Interruption...Tuition Fees Insurance?

You'll find the answers in our comprehensive Production for Profit Kit on "Time Element" Coverages. This Kit will

help you earn more commissions, give the best service and help you make "Time Element" coverages one of the most important items on your books.

Four other Kits—on Accident & Health, Fidelity & Surety, Inland Marine and Ocean Marine—have also been published. Additional Kits are in preparation, and the whole series will form a working library on property and casualty insurance. The coupon below will bring you, without cost or obligation, any or all of the Kits in the series.



FIREMAN'S FUND
INSURANCE COMPANY



NATIONAL SURETY
CORPORATION



FIREMAN'S FUND
INDEMNITY COMPANY



HOME FIRE & MARINE
INSURANCE COMPANY

FIREMAN'S FUND INSURANCE GROUP

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I would like to receive, without obligation, your educational Kits on:

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| <input type="checkbox"/> Accident & Health | <input type="checkbox"/> Fidelity & Surety |
| <input type="checkbox"/> Business Interruption | <input type="checkbox"/> Inland Marine |
| <input type="checkbox"/> Ocean Marine | |

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FRANKLIN 3-2795

SIMMS OF CONTINENTAL ASSURANCE

Urges Fire and Casualty Agencies to Use Life Sales to Offset Competition

Life insurance sales to fire and casualty customers promote better client relations and better client relations are one of the best means of combating direct writer competition, according to M. B. Simms, superintendent of agencies of Continental Assurance.

Mr. Simms outlined the advantages of adding a complete line of life to a fire and casualty agency at a meeting of Detroit Assn. of Insurance Agents.

"The complete insurance service advertised by local agents is not complete without ordinary, group and A&S lines," he said. "If your client depends on you for complete coverage of his insurance needs, you have an obligation to do more than hope or assume that adequate and proper life insurance is in effect."

He said life insurance does not demand an increased agency staff or facilities and yet provides a bigger dollar return for time spent on it than any other line because all it takes is selling time.

Mr. Simms said that an agency's clients spend three dollars on life insurance for every dollar spent on all other lines combined and that one out of five people in the U. S. will buy life insurance this year. And the chances of a client dying are greater than the chances that he will have a fire or be burglarized, he added. "These facts would make it prudent for an agent to make certain that his client's greatest need—life insurance—is getting attention," he said. "Life insurance is an easy sale for an agent, since his prospecting is already done. You have clients who are already doing business with you, know you and trust you. You know their needs," he said, "so all you have to do is see 'em to sell 'em."

Mr. Simms outlined some of the methods fire and casualty agents can use to sell life insurance. "Develop a prospecting eye which in your daily work will identify life insurance situations," he said. "Bonds reveal a client's needs; loss payable clauses in fire policies indicate a need for mortgage protection, and workmen's compensation will indicate the type of group insurance to propose." He also suggested looking for a parallel life insurance need when a client is building, expanding or borrowing.

To let insured know that the agency is in the life business, Mr. Simms suggested use of invoice stuffers, policy stuffers, "we write life" stickers and a direct mail program. To prepare for selling life insurance, he suggested contacting a local general agent or manager, who will provide aid in getting the necessary license and training. "The best place to learn," he said, "is through a training class especially designed for fire and casualty agencies if one is available locally."

Mr. Simms suggested that agents choose a life company to represent which has a good local office, managed by an experienced, professional life salesman and staffed by other personnel who realize the importance of prompt, courteous service to brokers and policyholders.

"If I were choosing a life company," he said, "I would want one which is dedicated to save my time, help me service my clients and increase my income. This time cannot be saved by

a company that is lukewarm to a general line's philosophy; a company that isn't in complete harmony with the fire and casualty producer or that does not have a sympathetic understanding of his problems and method of operation. I would want a company with a

brief application form, easily read manuals and progressive underwriting. And one which treated me as a full-time agent with full facilities available and offered a complete life line."

American Casualty Plans Home Office Addition

American Casualty has planned a five-story ultra-modern addition to its existing 12-story home office building in Reading, Pa.

The new addition will be connected

to the existing structure by a 30-foot wing, will occupy 40,000 square feet and will have a fully usable basement and a top-floor penthouse for use as an apparatus and service facility room. An employee lunch room will be provided on the fifth floor. The new structure will be the first major office building erected in Reading since the Medical Arts building was completed in 1931. The company's existing building was finished in 1927.

Lloyd Caldwell Claims Corp. of San Antonio is moving to its new office at 303 West Cypress street.



"This gets me in!"



YOUR PROTECTION AGENT
AT YOUR SIDE • ON YOUR SIDE
NATIONAL of HARTFORD GROUP of INSURANCE COMPANIES

"You can take advantage of the name PROTECTION AGENT, same as I did.

"People used to think of me as an insurance agent. Now they think of me as their Protection Agent.

"Everybody wants protection! So I'm getting in to see prospects I never could reach before.

"Let a National of Hartford Field Man tell you how you can utilize his Company's national advertising of the Protection Agent."



NATIONAL of HARTFORD GROUP
of Insurance Companies

Executive and Administrative Offices: Hartford 15, Connecticut

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

TRANSCONTINENTAL INSURANCE COMPANY

FIRE • MARINE • AUTOMOBILE • CASUALTY • BONDING

Ill. A&S Agents Elect R. P. Miller at Sales Congress

SPRINGFIELD, ILL.—“The greatest boon to the salesmen of life and A&S insurance today is the change of public attitude toward them in recent years,” according to Clifford C. McDonald of Dallas, president of International Assn. of A&H Underwriters. His address opened the annual sales congress of Illinois Assn. of A&H Underwriters here last week.

R. P. Miller of Loyalty group, Rockford, was elected president to succeed William G. Manzelmann of North American Accident. Harold D. Walters, local agent at Bloomington, and Deems I. Maupin of Business Men's Assurance, Springfield, were elected vice-presidents and William Eyre of Illinois Mutual Casualty, Peoria, was reelected secretary-treasurer.

Mr. McDonald said a new type of salesman, developed through intensive training in the last few years with the support of companies in both the A&S

and life fields, had largely eliminated the old type “insurance peddler” and had developed a greater respect and confidence in the present sales forces of such companies. Because of this changed attitude, he said, the chief function of salesmen today is to get out and sell, rather than to be research students. Sources available to insurance salesmen through general agencies and home offices provide adequate background data for aggressive and intelligent salesmanship. He emphasized that despite wishful thinking, and with rare exceptions, people do not buy insurance—it has to be sold to them. Insurance salesmen should keep in mind the motives for selling; their products are good for the buyer and also good for the seller. With these motives in mind, he concluded, the present day insurance salesmen can well combine life coverages with A&S to the advantage of the buyer and to provide an adequate income for himself.

More than 100 representatives of A&S agencies from throughout the state attended the two-day meeting.

Greetings from the Illinois depart-

ment were extended by James Ross, chief deputy.

S. B. Stotttrup, general agent for Mutual Benefit H.&A. at Decatur, demonstrated and discussed various sales procedures and approaches.

E. E. Ballard, president of All American Life & Casualty, gave six fundamentals which he believes must be uppermost in the minds of A&S underwriters if they are to be successful. They are: the ever present and increasing need on the part of salaried persons and wage earners for income and disability protection; the absolute necessity for facing the big problem of developing prospects; hard work and application to the job; the importance of an organized sales presentation; an enthusiastic approach to the job, and a recognition of the dignity of the individual and the knowledge that the destiny of our country and the world is to be decided in the hearts and minds of individuals.

John G. Galloway, interim director of Disability Insurance Training Council, discussed the problems of “Blue Chip Selling.” He outlined procedures for approaching and closing larger individual and group cases.

Eugene V. Boisabuin, eastern division agency director of General American Life, reviewed the problems in developing prospects for A&S and other forms of insurance, illustrating his talk with plans in use by successful agents throughout the country.

Board members elected were: Benjamin Rogers of Income Indemnity, Rockford; John Sonin of Fireman's Fund, Chicago; Irvin Lehman of Mutual Benefit H.&A., Peoria; Irving Wessman of Loyalty group, Chicago; Lee Crouch of Income Indemnity, Rockford; Max Orr of Woodmen Accident & Life, Bloomington; C. E. Schwalm of Wisconsin National Life, Galesburg; Ray M. Case of Mutual Benefit H.&A., Springfield, and Walter Meyers of General American, Rockford.

Roy E. Davis of Illinois Mutual Casualty, Peoria, was elected zone chairman and Mr. Eyre and Mr. Manzelmann were elected delegate and alternate delegate, respectively, to the international convention at Miami, June 13-15.

Hardware Mutuals Have Record Premiums in 1955

Hardware Mutuals of Stevens Point, Wis., had a premium income of \$80,205,669 in 1955, the highest in its history. The previous high was \$76,702,085 in 1954. Combined surplus of Hardware Mutual Casualty and Hardware Dealers Mutual Fire reached \$26,367,211.

Mutual Fire Engineers Elect

Trenor F. Goodell, Mutual Fire Inspection Bureau of New England, was elected president of Assn. of Mutual Fire Insurance Engineers. Named as vice-presidents were G. W. Ponton, Hardware Mutuals, and A. M. Innes, Merrimack Mutual Fire, C. M. Blaesi, Indiana Lumbermens Mutual, was elected secretary-treasurer and Alan Stevens, Liberty Mutual Fire, was named technical secretary.

Donald G. Whitmore has sold his interest in the Whitmore agency at Evansville, Wis., to his partner, Charles Maas, who will continue to operate the agency under his name. Mr. Maas will also continue to operate the agency department of Union Mutual Fire. Mr. Whitmore, who was secretary-treasurer of Union Mutual, will move to Hillsboro, Ore., to become manager of an insurance company.

Insurers Win Jury Decision on Grain “Explosion”

Ten insurers defending an action alleging explosion to a grain elevator won a jury verdict in U.S. district court at Springfield this month. M. C. Shutt, d/b/a/ Girard Elevator Co., sued Girard F.&M., Great American, American, Springfield F.&M., Continental, Aetna Fire, Hartford Fire, Home, National Fire and Millers Mutual Fire of Alton, Ill., for \$27,000, claiming his grain elevator and grain were damaged by an alleged dust explosion June 28, 1952. Shutt asked \$20,000 for the building and \$7,000 for the grain. Millers Mutual Fire was the grain insurer and the other companies had the building.

The companies said the loss was caused by a structural failure to the grain elevator which was the result of improper design. They said the building simply collapsed. The jury deliberated 5½ hours and returned a verdict for the companies.

The attorney for Girard F.&M. and Great American was John P. Gorman of Clausen, Hirsh & Miller of Chicago; for Hartford Fire, C. F. Snerly of Chicago, and the other companies were represented by Paul H. Heineke of Heineke, Conklin & Schrader, Chicago. F. H. Stone of Gillespie, Burke & Gillespie, Springfield, was local counsel for all the companies.

St. Paul F.&M. Group Names Campbell, Moeller

John M. Campbell and Leonard R. Moeller, assistant secretaries of Saint Paul-Mercury Indemnity, have been elected assistant secretaries of the St. Paul F.&M. and Mercury.

Mr. Campbell joined the group in 1926 and was elected assistant secretary of the indemnity company in the casualty department in 1950.

Mr. Moeller started in 1934 and was elected assistant secretary of the indemnity company in the bond department in 1949.

Names Agent for Fractional Shares

Provident Trust Co. of Philadelphia has been appointed agent by Fire Association for the buying and selling of fractional shares resulting from Fire Association's declaration of a 12% stock dividend. The stock dividend is payable May 14 to stock of record April 27.

The Fryeburg, Me., agency of Asa O. Pike & Son has purchased the G. Myron Kimball agency, also of Fryeburg.

HOME OFFICE CLAIMS MANAGER

Here is a top opportunity, for a man under 45 with legal degree and at least 10 years home office claims experience in a medium sized company, to organize the claim operations of a company. There will be some traveling in this position to coordinate home office and branch office operations. Salary range \$10,000 to \$15,000.

Of course, all enquiries are confidential.

FERGASON PERSONNEL

330 S. Wells St. Chicago 6, Ill.
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A
Homeowners
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THRIFTY BUY

IT'S THRIFTY TO COMBINE AND SAVE
A Homeowners Policy gives you more protection in one policy than is obtainable in 4 or 5 single policies — and at savings up to 20%.

There's a Homeowners Policy
To Fit Every Purse

A Homeowners Policy covers house (optional “replacement cost”), personal property, legal liability, and medical payments. Protects against Fire, Extended Coverage (on building and contents) with Residence and Outside Theft, and Additional Living Expense.

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*BOSTON INSURANCE GROUP

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This advertisement appears in current local and civic publications.



Fire Deductible Is Making Steady Progress, Being Steadily Improved, Wrenn Reports

Deductible insurance more nearly performs the true functions of an insurance policy than any form of complete insurance, F. W. Wrenn, vice-president of Federal, told the general management section conference of American Gas Assn. at Chicago.

No one is really fully insured, he pointed out. Insured picks and chooses and eliminates or discards or excludes in the search for the kind of protection best suited or most nearly suited to needs and pocketbook. Many types of policy have been discarded because of cost. In picking and choosing and discarding, insured inevitably decides to carry some of the risks himself—to self insure against loss from many known perils. Wherever it is available and the premium saving is high enough, insured even undertakes to bear a small first loss, a deductible, himself, in order to reduce his insurance costs.

Chubb & Son's program for writing fire insurance on a deductible basis is about seven years old, he said. In the intervening years, the group has observed many applications of the plan and has seen it grow in use by insurers and policyholders in meeting many insurance problems. Chubb & Son's experience has proved conclusively that the plan does no violence to insurance traditions nor to its orderly development, he declared. It has met a practical demand and it can be written profitably by insurers. The Chubb deductible plan, which involves deductibles of \$5,000 to \$250,000, has been approved in 38 states and District of Columbia, and it has been filed by a number of other insurers. North Carolina instructed the fire rating organization there to adopt the plan for all of its members and subscribers.

He said his organization is pleased with the gradual acceptance of the plan but not entirely satisfied, and is therefor continuing its efforts in development. He believes it is reasonable to anticipate its eventual adoption by the entire insurance market.

The contract application of the plan is extremely simple. An endorsement is attached to the policy setting forth the amount of deductible and the allowance in rate and premium. The policy is otherwise subject to tariff rating bureau rates and conditions, including coinsurance when required.

When a loss occurs which is sufficiently large to exceed the amount of the deductible, the insurance adjusters approach the problem as though no deductible were involved. The extent of loss is determined, the conditions of the policy other than deductible such as coinsurance are applied and then the final adjusted amount of claim is reduced by the amount of the deductible.

The percentage of reduction in the rate for the deductible is obtained from a schedule in which the percentage of credit varies according (1) to the amount of the deductible selected by the purchaser and (2) the ratio of the amount of the deductible to the amount of insurance. While a lot of research efforts went into development of credits, Chubb & Son realized that the best possible evaluation of these credits could only develop with experience and with a very broad base of business for comparison of results. Its development among other companies has been slow, but there seems to be promise of greater interest and use

of the plan in the future, which will, of course, provide a still wider range of experience for checking results.

Chubb & Son's efforts in perfecting the table of credits is continuing and it has established a program designed to evaluate its deductible credits on the basis of all of its fire business, whether such business was written on the deductible or not.

The plan was not initiated merely to reduce the cost of full insurance, he said, but to furnish a more realistic coverage for those who do not need the full recovery for small losses. He is convinced it has a definite place in the insurance programs of many large insurance buyers. They do not need insurance as a maintenance contract; in fact small losses are expensive to collect. They need insurance when the amount of loss is substantial enough to upset or distort their normal operation costs. A deductible promotes fire prevention and a general policy of good maintenance, which justify the

credits and ultimately inure to the policyholder's benefit in many ways.

The students of the business will appreciate the fact that the credits are compared to many other conditions recognized by rating schedules as influencing the incidence or extent of loss such as fire walls, watchmen with clocks, segregation of special hazards, etc.

Deductible insurance is self insurance—but only to the extent of the deductible selected, he said. The policyholder is the one to decide on the amount of his self insurance. To that extent he assumes the position of an underwriter and should determine whether to select deductible insurance or not and also determine the amount of the deductible on the basis of premium saving and the distribution and amount at risk.

As the insurance buyer has assumed a position similar to an underwriter—insofar as his self insurance program is concerned, he may consider the premium saving as being the premium he obtains for his share of the risk. A return of 25%, 50% or 100% of the deductible amount, or often higher, is

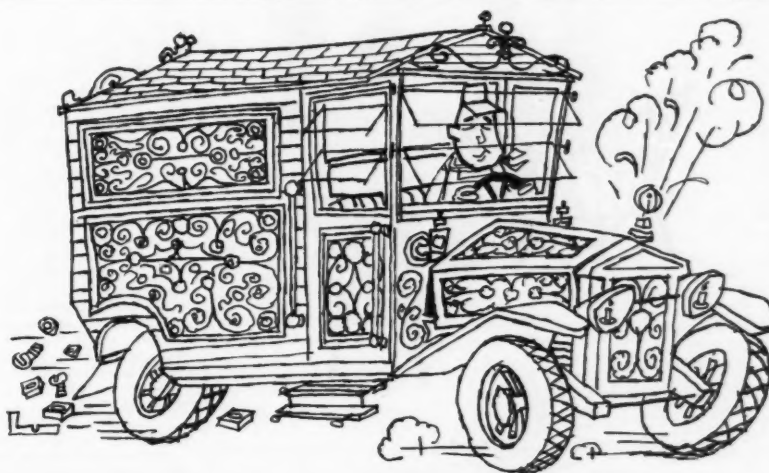
a very satisfactory premium consideration and many underwriters would be glad to be in a position to write a deductible amount alone for such rates.

Where many small losses occur and must be collected under full insurance policies, it is necessary for the policyholder to become involved in the routine of loss adjustments, preparation of proofs of loss, and other expensive details. Any reduction in such expense will certainly have some influence in arriving at a decision.

Not long ago some large public utilities collected many small losses, but more recently many of the utility giants have adopted deductibles with retentions ranging from \$50,000 to \$100,000, he said. Very likely they were at least partly influenced by the expense of loss collection.

When a property owner decides to carry the risk of loss to his property out of his own resources, he should consider the experience of the professional risk takers, the insurance underwriters, Mr. Wrenn emphasized.

One particular bit of advice he
(CONTINUED ON PAGE 33)



Insurance gets antiquated too . . . be sure you're up-to-date with **COMPLETE COVERAGE by BXA**

Times change . . . fast! What was adequate protection five years ago may not be doing the proper job in the current accelerated scheme of things.

At BXA, a specially trained staff of experienced underwriters will bring you up-to-the-minute—revamp and custom design insurance programs to provide the best possible coverage for your assureds. For up-to-date insurance planning, call BXA.

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FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT!

how to pick your property insurance agent



Naturally, you want the best protection you can get for your home, your car and your business. The first step—and most important one—is to pick the right agent or broker!

Here are some guideposts to help you. Here's what you should look for:

- 1) Is he an independent businessman?
- 2) Does he represent the company you want?
- 3) Will he give you personal, interested service?

On all these counts, and many more, you'll find that your local agent of The Home Insurance Company measures up to the highest standards. You'll find, too, that it's wise to buy the best—the combination of quality insurance provided by The Home and quality service and advice offered by your Home agent. Why not see him today?

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ORGANIZED 1853

Home Office: 59 Maiden Lane, New York 8, N. Y.
FIRE • AUTOMOBILE • MARINE
The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

We think our agents are among the best in the country.

We think they have the qualities a good insurance agent should have.

We think they offer the kind of service people need and want.

We think they're offering the finest in insurance protection available today.

So—we're saying so!

Of course, as helpful as an ad like this can be, it will work better for you with your help. Why not tie-in your own local advertising with it?

* This advertisement appears in color in:

Business Week—Apr. 7

Newsweek—Apr. 16

Time—Apr. 16

U. S. News & World Report—Apr. 27

Nation's Business—May

Town Journal—May

Convention Dates

April 30-May 1, Kentucky Assn. of Insurance Agents, Eastern District, Cumberland Falls State Park, Corbin.

April 30-May 2, Chamber of Commerce of the U.S., annual, Washington, D. C.

April 30-May 2, Iowa Assn. of Insurance Agents, annual, Hotel Savary, Des Moines.

May 3, Illinois Assn. of Mutual Agents, Hotel Wafford, Danville.

May 3-5, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

May 3-5, National Assn. of Independent Insurance Adjusters, annual, San Souci hotel, Miami Beach.

May 6-8, Florida Assn. of Mutual Insurance Agents, annual, The Colonnades, Riviera Beach.

May 6-8, Alabama Assn. of Insurance Agents, annual, Whitley hotel, Montgomery.

May 7-8, Minnesota Assn. of Mutual Agents, midyear, Leamington hotel, Minneapolis.

May 7-8, New York Assn. of Insurance Agents, annual, Syracuse.

May 7-9, Board of Fire Underwriters of the Pacific, Santa Barbara Biltmore hotel, Santa Barbara.

May 8, National Bureau of Casualty Underwriters, annual, New York.

May 9-11, American Management Assn., insurance conference, Roosevelt hotel, New York.

May 10, Surety Assn. of America, annual, New York.

May 10-12, Arkansas Assn. of Insurance Agents, annual, Arlington hotel, Hot Springs.

May 10-18, Florida Assn. of Insurance Agents, annual, George Washington hotel, Jacksonville.

May 14-15, Kentucky Assn. of Insurance Agents, Western District, Kenlake State Park, Hardin.

May 14-15, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.

May 15-16, Illinois Bureau of Casualty Insurers, annual, St. Nicholas hotel, Springfield.

May 16-18, National Assn. of Insurance Brokers, Boston.

May 17-19, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.

May 17-19, Texas Assn. of Insurance Agents, annual, San Antonio.

May 20-23, Inland Marine Underwriters Assn., annual, Shawnee Inn, Shawnee, Pa.

May 20-23, Inland Marine Insurance Bureau, annual, Shawnee Inn, Shawnee, Pa.

May 21-23, Insurance Accounting & Statistical Assn., Hotel New Yorker, New York.

May 21-23, American Assn. of Managing General Agents, annual, Shamrock hotel, Houston.

May 23, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York.

May 23-25, Georgia Assn. of Insurance Agents, annual, Oglethorpe hotel, Savannah.

May 23-25, Insurance Company Education Directors Society, annual, Skytop, Pa.

May 24, Midwestern Independent Statistical Service, annual, LaSalle hotel, Chicago.

May 24, National Board of Fire Underwriters, annual, Hotel Commodore, New York.

May 27-30, Virginia Assn. of Insurance Agents, annual, Hotel Chamberlain, Ft. Monroe-Old Point Comfort.

May 28-29, Georgia Assn. of Mutual Insurance Agents, annual, King & Prince hotel, St. Simons Island, Ga.

May 28-June 1, National Assn. of Insurance Commissioners, annual, Jefferson hotel, St. Louis.

June 3-5, Tennessee Assn. of Mutual Insurance Agents, annual, Lookout Mountain hotel, Lookout Mountain.

June 4-5, Eastern Underwriters Assn., midyear, White Face Inn, Lake Placid, N. Y.

June 4-6, Conference of Mutual Casualty Companies, management meeting, Lake Delton, Wis.

June 4-8, National Fire Protection Assn., annual, Boston.

June 7, Society of Fire Protection Engineers, annual, Statler hotel, Boston.

June 10-12, Maryland Assn. of Insurance Agents, midyear, Commander hotel, Ocean City.

June 10-12, Insurance Advertising Conference, annual, Skytop Lodge, Skytop, Pa.

June 11-13, South-Eastern Underwriters Assn., annual, The Homestead, Hot Springs, Va.

June 11-13, National Assn. of Mutual Insurance Agents, midyear, Claridge hotel, Atlantic City.

June 12-15, National Assn. of Insurance Women, annual, Conrad Hilton hotel, Chicago.

June 13-16, International Assn. of A&H Underwriters, Miami Beach.

June 14-16, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.

June 17-19, New England Advisory Board of New England Assns. of Insurance Agents, summer meeting, Wentworth-by-the-Sea, New Castle, N. H.

June 21-22, Missouri Assn. of Mutual Insurance Agents annual, Hotel Chase, St. Louis.

June 27-July 1, National Assn. of Public Insurance Adjusters, annual, Kiamisha Lake, N. Y.

I've recommended you
to a friend because
I like your
BDA service



Clients do appreciate service — and this is particularly true in boiler and machinery insurance, where highly specialized services are required — in underwriting, inspection, and settlement of claims.

When you place with Hartford Steam Boiler you provide these services by professional specialists:

Before the policy is issued, in underwriting service with the cooperation of the H.S.B. Special Agent; **D**uring the life of the policy, in accident-prevention service with the nation-wide network of 600 H.S.B. Field Inspectors; and **A**fter an accident (if one should occur), with on-the-spot service by H.S.B. Field Inspectors and Adjusters — to help speed rehabilitation and prompt settlement of claims.

Let the Specialists work for you.



INSPECTION
is our middle name

The
**HARTFORD STEAM BOILER
INSPECTION
and INSURANCE COMPANY**

Hartford 2, Connecticut

**THE OLDEST INSURANCE
COMPANY IN THE WORLD**



55 FIFTH AVE., NEW YORK

Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

The Business Needs to Redouble Its Efforts to Attract the Qualified Manpower It Needs

By JAMES F. CRAFTS, President

Fireman's Fund Insurance Group

(Knowing that the increased development of qualified manpower in the insurance business is a subject in which Mr. Crafts is vitally interested and one which he has studied closely for some time, THE NATIONAL UNDERWRITER asked him to set-down his views, which are presented herewith.)

If the insurance business is to maintain its standards of service, it must promptly and effectively cope with the problems created by the fact that all too few young people are setting insurance careers as their goal. Opportunities for the newcomer in the insurance business have never been greater.

While college training is not indispensable for most kinds of insurance work, it is of value in many specialized fields of insurance. In only the last few years a number of colleges and universities have instituted insurance courses for which they give advanced degrees. In recent years many more universities have been offering courses in insurance at the undergraduate level. This healthy trend holds promise, but it is still far from adequate. While insurance courses are available, too often the interest is only lukewarm.

The college man with insurance training not only has the opportunity of engaging in the insurance business in any one of many phases but he also has the opportunity of teaching insurance as a profession. The need for men in all categories is growing continually. Recently I heard the associate dean of the insurance department of one of our largest western colleges say: "If I had 50 graduates trained in insurance, I could place them tomorrow. The demand is great!"

The demand has been exceeding the supply for a very basic reason. Insurance, in its role as a safeguard, keeps pace with the nation's economic progress. Thus opportunities are created within our own industry for greater expansion. However, with growth comes the need for more manpower. This is also true of business in general if over-all prosperity is to be maintained. As a result there is increasing competition for talent, with many industries presently engaged in a nationwide search for qualified men and women.

As a member of the insurance fra-

ternity, I am concerned about our ability to secure the manpower we must have in order to service properly the increasing insurance requirements of the American people. As I appraise the situation, it is essentially one of doubling our efforts to attract more young people to the field of insurance as a career, for upon them in large measure will rest the future welfare of our industry. These young people have much to offer us in the way of a fresh outlook and new ideas, and we in the business can offer them much in return—all tending toward qualifying a number of them for the important executive positions of tomorrow.

Where can we get a fair share of the available manpower? One answer is, from our colleges and universities as well as from our high schools. But first there is a problem that needs to be resolved. Despite the possibilities, the fact is that students, for the most part, know little or nothing about the insurance business, or they have misconceptions about it, or they do not know about the opportunities. One recent survey showed that the majority (54.3%) of college students contacted already had decided upon the type of work they would enter; 40% were undecided, and only 5.7%—the smallest group by far—had chosen insurance as a career.

Considering that the number of college students is expected to increase from the present 2¼ million to more than 4 million within the next 10 to 12 years, the following steps are suggested to enlighten them further on insurance as a field of endeavor:

1. Colleges and universities to be prevailed upon to increase the frequency of courses and classes on the fundamentals of property and liability insurance. Greater emphasis generally to be placed upon "insurance as a career."

2. More instructors and lecturers to be made available from the insurance industry.

3. A definite plan to be evolved for the training of more insurance teachers.

4. In high schools on "Vocation Day," representatives of various industries are invited to sketch the opportunities in their respective industries. In this respect, the insurance industry should be among the most active. Some schools send their students on tours of various industries. Insurance companies should do their utmost to attract a large percentage of these students.

5. Every insurance man should welcome opportunities to tell the insurance story—at any gathering—not only for the sake of his own business but to stimulate greater interest in insurance as a career, both on the company side and on the service and merchandising side. We should keep

at the job constantly of educating the public on insurance. There are just too many half-truths existing about it.

There are many factors which make insurance a good career to follow. Among them are the following:

Importance of insurance. Without insurance our present economic system would be seriously impaired. As long as there are fires, accidents, death and disability, insurance will be in demand. It is a growing business offering young men and women the opportunity to grow with it.

Compensation. On the company side, starting salaries are good and they will change with economic conditions. Advancement keeps pace with capabilities shown. On the service and merchandising side, the income depends upon the effort put forth by the producer; his opportunities are limited only by himself.

Personal development. Through the influence of daily contacts with the public, both in and out of the company, the insurance man has fine opportunities for personal development. Growth is a continuing process.

Security. As an independent business man, the producer and his beneficiaries are the sole owners of the business—of expirations and good will—and security can be planned and worked for by a steady increase in production activities to guarantee a sound financial retirement and estate. There is also security in the fact that advances in technology or new inventions do not outmode the selling of

insurance. It is not a seasonable business. On the company side, the majority of leading insurance companies in the United States have sound retirement and health benefit programs. The welfare of the employee is a primary concern of management.

The creative side. Actually insurance is a colorful and diversified field. A recent summary highlighting insurance jobs listed in alphabetical order the following: Accountant, actuary, advertising, agent, auditor, bookkeeper, broker, business machine operator, cashier, chemical engineer, claims adjuster, construction engineer, dietician, doctor, editor, examiner, field man, file clerk, fire prevention engineer, inspector, investment analyst, lawyer, librarian, mail clerk, medical technician, messenger, nurse, office manager, policy checker, publicity writer, purchasing agent, safety engineer, secretary, solicitor, statistician, training supervisor, underwriter.

Personal satisfaction. Few careers yield the personal satisfaction that comes from the insurance industry—a business that performs an invaluable service both to individuals and society. Insurance people play many important roles in the nation; they are often in the forefront in community activities. Prestige is high.

With the young men and women of our country made increasingly aware of the opportunities awaiting them in insurance, our industry will continue to do its part in maintaining the nation's economic stability.

Transamerica Group Opens New Building at Skokie



Pacific National Fire, Manufacturers' Casualty and Paramount Fire celebrated the opening of their new western department building with an open house.

Officers of the companies who attended include Walter H. Vernier, executive vice-president of Pacific National; C. A. Brough, vice-president of Pacific National, and T. W. Long, executive vice-president of Manufacturers' Casualty.

The building is at 8324 Skokie boulevard, Skokie, Ill.

Prior to the open-house, the compa-

nies held a three-day field man's roundup.

The building, which consolidates Chicago area offices of the companies, was constructed for them by the H. K. Ferguson Construction Co. of Cleveland. It is a one-story, modern fire-resistant structure of concrete and steel with a brick facing.

Approximately 215 employees work in the new building, which has specially engineered lighting, heating, ventilating and air-conditioning systems. There is an employee cafeteria and a 125-car parking lot.

Even Pinpoints Defects in Sales Techniques

The new package policies demand new sales techniques and a process of selective selling, according to John T. Even, executive assistant of W. T. Alexander & Co.

Mr. Even, at the quarterly meeting of Insurance Brokers Assn. of Illinois in Chicago, outlined results of a market survey by his agency which pinpointed some of the defects in marketing and selling techniques.

"Less than 5% of your clients understand the technical jargon of insurance," Mr. Even said. "A tape recording of a sales presentation made by an agent showed that 20% of the words used were technical insurance terms which the average man in the street did not understand."

Mr. Even said the public is sold on the virtue and necessity of the basic fire and EC coverages. In the past, they bought what they wanted, he said, and it wasn't a question of what they bought not from whom they bought it.

"That type of operation is gone.

The selective stage has been reached where the agent has to convince the buyer that his interest is better served by the all risk block or package type policy. This offers the insurance producer the first real opportunity for account selling and the chance for selective selling—selling the luxury coverages on the standpoint of performance," he said.

"By selling the luxury lines and combining the coverages in one efficient form, the agent or broker will require less time for processing and be afforded more remuneration and a greater amount of time in which to prospect, market and sell," he said.

A survey by his agency, Mr. Even said, indicated that the coverages which require selective marketing, however, are not being sold.

"Of those clients who need the coverages, only 2% have leasehold interest, 5% have valuable papers and records, 1-2% have accounts receivable, 14% have business interruption and 18% have never been offered the coverage. Only one in 45 clients who need it have bailee liability, while

only 3% have legal liability," he said.

To sell the new block or package type policies, he said, agents will have to understand and be able to explain the ordinary risks and exclusions and do a better job of explaining and selling the customer on the unusual losses covered under the block policies.

Mr. Even concluded by outlining the coverages and exclusions under the mercantile block policies now written in Illinois.

N. Y. Meeting for AFIA Domestic Managers

The growth of foreign insurance production in the U. S. of American Foreign Insurance Association and the fostering of management relations between the U. S. service offices of the organization and its New York head office were the chief topics discussed at a meeting of domestic branch managers of AFIA at the head office.

Present were John J. Geary, mid-west supervisor, Chicago; Robert S. Harvey, manager, Dallas; Elmer J. McCluskey, manager, Los Angeles; A. E. Lampe, Pacific coast manager, San Francisco; and John F. Tierney, manager, Washington, D. C.

The meetings were led by James O. Nichols, president, and Harrington Putnam, vice-president, who heads the U. S. brokerage and service department.

The group visited America Fore and were addressed by Frank A. Christensen, chairman of America Fore and AFIA. He spoke on the development of overseas operations the past year and on his trip to Europe where he met AFIA representatives and European insurance executives.

Mich. Mutual Agents to Hold Educational Series

Michigan 1752 club and Michigan Assn. of Mutual Insurance Agents will hold a series of educational meetings in 10 Michigan cities, May 16 and 17.

The cities and meeting places are: May 16—Cadillac, Sun & Sno Lodge; Marshall, Schuler's restaurant; Mt. Pleasant, Chieftain hotel; Dowagiac, Champs hotel, and Mt. Clemens, Tassie Tavern; May 17—Gaylord, Au Sable Ranch & Ski club; Adrian, Rock Inn; Frankenmuth, Zehnder's restaurant; Grand Rapids, Rowe hotel, and Dearborn, Dearborn Inn.

Subjects include: "How Do You Approach Your Business Accounts?" "What's Going to Happen to Your Dwelling Business?" "Will Your Mercantile Business Remain on Your Books?" "Is Your Average Insured Shipping?" and "Is Your Individual Home Owner Satisfied?"

Ohio, Rhode Island Okay Mercantile Block

The mercantile block filing of Inland Marine Insurance Bureau has been approved in Ohio, effective April 23, and Rhode Island, effective April 16.

New Jersey has set an effective date of April 7 on the bureau's filing of dealers forms.

Leonard E. Salladay has resigned as assistant manager of Anthony, Baker & Burns, Spokane agents and brokers, to open his own agency at 1430 N. Washington street in Spokane. He had been with Anthony, Baker & Burns for seven years.

N.A. Fire Deviation Hearing in N.C. Set

Commissioner Gold of North Carolina has set a hearing for June 5 on the proposal of North America to sell fire and extended coverage at rates 10% below those promulgated by North Carolina Fire Insurance Rating Bureau. Formal notices of the hearing have been sent to more than 300 member companies of the rating bureau.

Mr. Gold approved the deviation in November but the rating bureau and three insurers appealed to the courts contending that Mr. Gold had failed to give them proper notice of a hearing. The approval was set aside by the courts.

Other than Fire and EC, North America and its affiliates, Philadelphia F&M. and Indemnity of North America, have proposed a 10% deviation on dwelling package policies. This proposal will be heard at the same time.

Fromel to Home Office of Crum & Forster

Robert A. Fromel, Illinois field supervisor for Crum & Forster companies, has been transferred to the home office at New York where he will be assigned to underwriting and administrative duties.

Mr. Fromel joined Crum & Forster at Detroit in 1941 and after army service in World War II rejoined the companies in the Illinois field. He later was a combination underwriter and field representative for the automobile division of the western department and in 1951 was named Illinois state agent. He was promoted to field supervisor in 1954.

N. Y. Okays Valued U&O Form of Federal

The valued business interruption form of Federal has been approved in New York. This brings to 21 the number of states which have OK'd it.

The form provides a stated amount of coverage per day so that insured knows exactly what he will get for each day's shutdown. There is provided a pro rata schedule of recovery for partial shutdowns. One condition in the policy required periodic reports from insured in order to keep the insurance realistic. The amounts may be varied to fit seasonal changes.

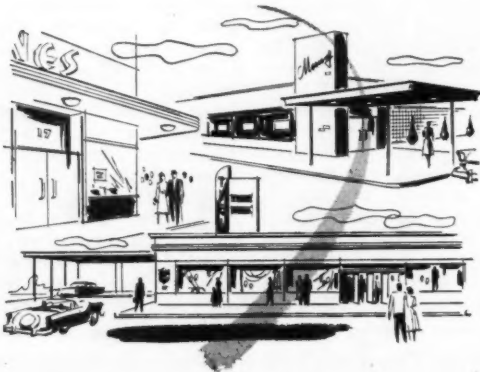
Until Federal introduced the cover, the form was obtainable only in connection with steam boiler through London.

The form is now being written in California, Colorado, Connecticut, Delaware, Florida, Illinois, Indiana, Kansas, Michigan, Nebraska, New York, North Carolina, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Vermont, West Virginia and Wisconsin.

Nationwide Mutual Names Two

Lance Greene and Lowell Rinehart have been elected assistant treasurers of Nationwide Mutual. Mr. Greene, who has been with Nationwide since 1950, is director of banking and finance. Mr. Rinehart is a 20-year veteran with the companies and since 1951 has been director of accounting.

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Dinner Marks 25th Milestone of Loss Executives Assn.

Loss Executives Assn. marked its 25th anniversary with a dinner in New York. The association was formed with 35 members as a forum for the study of loss and adjustment problems common to stock companies. Membership today is 235, including associate and honorary members. The association has been responsible for developing the waiving of collection of nominal reinsurance claims and for standardizing intercompany reinsurance notices and proofs of loss and loss reports and proof forms.

J. Victor Herd, president of America Fore and of National Board, was guest speaker. Others on the dais included Richard C. Williams of Hanover Fire, toastmaster; John H. Shuttleton of Commercial Union-Ocean, president; Royal M. Beckwith, manager of Inter-Regional Insurance Conference; F. G. Buswell, vice-president of America Fore; Frederick W. Doremus, manager of Eastern Underwriters Assn.; J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies; Douglas Erskine, secretary of American Insurance Assn.; D. W. Florence, vice-president of Commercial Union-Ocean group; V. L. Gallagher, U.S. manager of Pearl; Gilbert L. Scott, vice-president of North British group, and George D. Vail, vice-president of Corroon & Reynolds group.

Warns of Highjacking on Delivery Routes

Jack Seide, president of Babaco Alarm Systems, warned that thieves are concentrating efforts now on local pick-up and delivery trucks, in a talk before the irregular route common carrier conference of American Trucking Assns. in Miami Beach.

He said wide-spread installation of burglar alarm systems and other theft prevention measures drastically reduced hi-jacking of long distance hauls. However, he suggested that truck owners reexamine their theft prevention programs in local haul areas.

Kemper Jr. Board Elects Georgi

Richard H. Georgi, claims examiner for Lumbermens Mutual Casualty, has been elected chairman of the Kemper companies' junior board to succeed J.

R. Alderman of the legal department. Thomas M. West, midwest audit supervisor, was named secretary and Arthur D. Webster Jr., general liability underwriter, was elected assistant secretary. New members are Martin P. Luthy Jr. of the business extension department and Donald R. Clark of the accounting department.

Chicago Adjusters Hear Aims of Auto Repair Men

Reginald J. Holzer, executive chairman of Automotive Repair Executives Assn. of Chicago, outlined the purpose and aim of the newly-formed organization at the April meeting of Casualty Adjusters Assn. of Chicago.

Robert M. Moore, secretary of Security Mutual Casualty, was voted a life membership in the casualty association in honor of his retirement, May 11.

The auto repair association, composed of independent shop owners, does not attempt to regulate prices or competition, according to Mr. Holzer but investigates complaints against member shops and attempts to fight unscrupulous elements in the industry. It has adopted a code of ethics and delegated a special committee to hear complaints about overcharges, fake estimates and sloppy workmanship.

The association also plans group advertising to combat what Mr. Holzer called "high pressure" advertising of auto dealer repair shops. He asked for cooperation from the adjusters association in eliminating unfair and monopolistic practices in the repair industry.

The adjusters association will hold its annual golf outing, June 13, at St. Andrews country club.

Hawkeye-Security Has Managers' Meeting

Hawkeye-Security-Industrial group held its annual managers' meeting in Des Moines this month with 23 branch department managers and all home office supervisory and executive personnel attending.

The first evening the company was host to 120 employees at its service recognition dinner. Only employees with five or more years of continuous service were invited.

C. E. Johnson, executive special agent of New York Underwriters at Atlanta, addressed Birmingham Assn. of Insurance Agents on advantages of the mercantile block policy.

Travelers Appoints Bechtold Chicago Fire, Marine Head

Travelers has appointed J. A. Bechtold manager of fire and marine at Chicago succeeding the late A. B. Smillie.



J. A. Bechtold

Mr. Bechtold joined the company in 1935 at the home office in the engineering and loss control division. He worked as fire survey engineer at St. Louis and Cleveland before returning to the home office engineering department in 1941. He was named assistant manager at Chicago in 1949.

N. Y. Brokers Ask for Compulsory Law Procedures Committee

Insurance Broker's Assn. of New York state has appealed to Assn. of Casualty & Surety Companies to form an insurance business committee to work with public officials in developing procedures for the new compulsory auto liability law.

George H. Ort, executive vice-president of the brokers' association, in a letter to J. Dewey Dorsett, manager of the casualty association, pointed out that brokers and agents would shoulder a large part of the burden of detail the new law will require of several million New York motorists already insured. He said it is important that procedures be established regarding this fact and that work be spread out throughout the year.

American to Mark 25th Anniversary in N. Y. C.

American will hold a reception May 1 to mark the 25th anniversary of the establishment of the New York office. A buffet will be held at the 104 John street office.

N.H. Agents Schedule Classes

New Hampshire Assn. of Insurance Agents will hold classes at Dartmouth college, Hanover, May 8 and at Concord, May 9. Edward W. Brouder, di-

rector of training of Hartford Accident's school, will instruct the course in general burglary. William F. Monk, instructor in Hartford Accident's school, will lecture on garage liability, automobile fleet and non-ownership liability.

Michigan Institute on Commercial Block

More than 250 agents and company men attended an institute on commercial block policies at Michigan State university last week. Michigan Inspection Bureau obtained approval for the filings recently and keen interest in the policies was demonstrated by the record registration for a clinic conducted under the auspices of Michigan Assn. of Insurance Agents and the university's business administration school.

It was the consensus of agents in attendance that the new package contracts are saleable and that, while the premium loading seems high on its face, the combined costs of individual policies providing inferior coverage, would virtually always prove greater. It was noted, particularly, that the coverages provided are in all cases broader than are obtainable on an individual contract basis.

Instructors were: Clarence Metzner, assistant manager Western Underwriters Association; Ronald Butler, assistant manager Michigan Inspection Bureau, and George Simpson, Aetna state agent. Mr. Metzner traced history of the new coverage and detailed the comparison with individual policies covering similar risks. Mr. Butler instructed the agents as to information needed in applying for coverage and four sample risks were rated by the agents under his instruction on the standard forms provided. The agents reported they found this a less complicated task than anticipated. Mr. Simpson told of his company's experience in writing this line prior to the general filing, detailing the major factors to be stressed as appealing selling points. He also described some of the unusual losses that have been recorded under this type of contract.

Carl L. Strong, coordinator of insurance courses for MSU, had directed details of setting up the institute program.

Details Port Authority Cover

William B. McGuinness, insurance manager of Port of New York Authority, discussed his organization's insurance program at a luncheon meeting of American Marine Insurance Forum in New York City.

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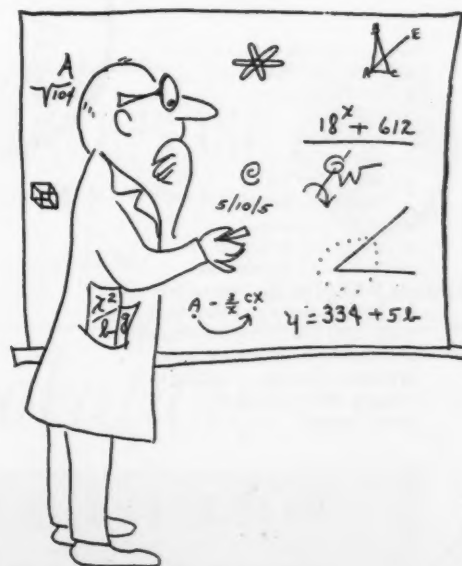
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Wilbraham, McJunkin New Payroll Audit Aids of Travelers

Travelers has named James H. Wilbraham and Gerald O. McJunkin assistant superintendents of the casualty payroll audit division of the compensation and liability department.

Mr. Wilbraham started with the company in 1919 in the casualty payroll audit division and was appointed examiner in 1926 and chief examiner in 1940.

Mr. McJunkin joined the company in 1947 as field auditor at Kansas City and was appointed supervising field auditor there in 1950. He transferred to Hartford in 1952 as chief examiner.

Crop-Hail Mutuals Set Program for Mid-year Meet

Plans have been completed for a mid-year meeting of the Crop-Hail Conference of National Assn. of Mutual Insurance Companies to be held May 3 at the Hotel Savery, Des Moines, Ia.

Conference Chairman Fred W. Benson, vice-president of Farmers Mutual Hail of Des Moines, will preside at the meeting. The program will include

a report of the special projects committee of the conference and a panel discussion with special attention given to policy forms, rates and reinsurance.

There will also be meetings of the conference's committees on claims, management, accounting and statistical, and sales and underwriting.

Company meetings will be held that evening.

Conn. Agents' School at Wesleyan June 13-15

Connecticut Assn. of Insurance Agents will sponsor a summer insurance school at Wesleyan university, Middletown, Conn., June 13-15.

New subjects on the three-day curriculum are agency advertising with Robert E. Brown Jr., advertising director of Aetna Casualty, as instructor, and new mercantile block policies with L. Ray Ringer, assistant secretary of Aetna Fire, as instructor.

Other courses include contracts and agency organization, job analysis and office management, work simplification, agency agreements, valuation of an agency and public relations. The entire curriculum of June 14 will be devoted to problems and instruction of office personnel. Agents are urged to allow key office help to attend.

Aetna Casualty Wins PR Award for Driver Training Device

Aetna Casualty has won a top award from American Public Relations Assn. for development of its "Aetna Drivotrainer."

The award, highest to be presented in the banking, finance and insurance field, was made to Stanley F. Withe, secretary, who directed the program with the Drivotrainer. The report of the development of the device will be filed in the Library of Congress along with those of other top PR award winners.

The first Drivotrainer was used in the New York City school system three years ago. The following year additional classroom installations were made in Los Angeles and at Iowa state teachers college. The Los Angeles school board last year lauded the system as a time saving substitute for dual control cars. The Iowa department of public safety has planned to set up 14 driver training centers, the first of which at Waterloo will use a Drivotrainer. A 15-place Drivotrainer was sent to Sweden a year ago and a similar unit has been ordered by Thailand.

Minn. Mutual Agents to Hold Sales School

Minnesota Assn. of Mutual Agents and 1752 Club will sponsor a sales school, May 7-8, at the Hotel Leamington in Minneapolis.

Monday's sessions include classes on: "Homeowners Policies" by Donald Mattson of Home Mutual of Appleton; "Auto Liability Coverages" by Robert Doucette of Milwaukee Automobile; "Auto Garage Liability" by Robert Thurber of Iowa Mutual of DeWitt, and "Advertising and Public Relations" by Walt Bruzek and Wes Jameson, advertising executives of Rochester.

Tuesday's sessions include classes on: "Commercial Block Policy" by Carl Tomlinson of Central Mutual of Van Wert; "Liability Coverages" by Thomas Wallace of Auto-Owners; "Sales Tips and Practices" by Roger Boushor, Minneapolis agent, and "Minnesota Fire Policy Interpretation and New Fire

Forms" by Hjalmer Hjermsstad of Citizens Fund Mutual of Red Wing.

Each of the classes will be repeated three times each day to enable agents to attend three of the four classes offered each day.

The association will also hold its mid-year luncheon, May 8.

N. Y. Casualty Managers Fete Insurance Writers

Casualty Managers' Assn. of New York was host to members of the insurance press at a luncheon in New York City. Joseph M. Pernollet of Employers' Liability, vice-chairman of the association, introduced more than 15 insurance writers following the luncheon.

Conn. Won't Seek Interest on Rebates

The Connecticut insurance department will not try to collect interest on overcharges of 25,000 auto collision policyholders by 15 out-of-state insurers.

The department has ordered the companies to refund \$500,000 in overcharges. So far nearly 5,000 policyholders who were charged the class 2 rate for drivers under 25 years old instead of class 1 received rebates averaging \$35.

A Hartford man had complained through a newspaper there that he felt he should have received interest on his \$75 rebate. Commissioner Spelacy answered that the main goal of the department is to get the \$500,000 back to the policyholders. As to interest, the commissioner was quoted as saying: "That is carrying it to the picayune degree."

Award Two Big Bonds

Fidelity & Deposit is surety on a highway construction contract for \$1,064,978 awarded by the Nevada highway department to Morrison-Knudsen Co. of Salt Lake City.

Travelers is surety on a \$1,163,686 contract for construction of a breakwater near Tillamook, Ore. The contract was awarded to General Construction Co. of Portland, Ore., by U.S. Engineers.

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Security of New Haven Has Coast Changes

George H. Murdock and John R. Stephens have been appointed assistant managers in the Pacific coast department of Security of New Haven.

Mr. Murdock joined Security in 1948 as superintendent of the liability department, becoming casualty manager of the Pacific coast territory in 1955.

Mr. Stephens started with the group in 1950 as special agent in southern California, and in 1954 was made manager of the Pacific marine department.

Other promotions in the Pacific department include: Seymour Muir becomes chief underwriter in the automobile and casualty underwriting section; Vahran Cherezian becomes chief underwriter in the fire underwriting section, and Robert McCarthy becomes chief underwriter in the inland marine section.

Howard O. Peacock has been appointed special agent in the San Joaquin valley succeeding Robert Barrows. Mr. Peacock has been with Grow & Doughty local agency at San Mateo.

Western Adjustment Names Two Managers in Chicago

Western Adjustment has appointed H. C. King and A. B. Woolverton to new managerial positions in the metropolitan Chicago area. Mr. King was transferred from the Chicago south side office to the loop office as manager. Mr. Woolverton was moved from the mid-city office to the south side office as manager.

Mr. King joined Western Adjustment in 1935 and has had diversified field and managerial experience in the Chicago area. As manager of the loop office, he will assist Regional Supervisor S. L. Bassett.

Mr. Woolverton has had 15 years of field experience with Western. He has had managerial experience as manager of the north side office and as assistant manager of the mid-city branch.

Allstate Promotes Six

Allstate has promoted Timothy J. Hughes from claim manager at Murray Hill, N. J., to claim manager of the company's east central zone. He will be succeeded in the branch by Francis J. Kapusta who was formerly claim manager at Pittsburgh.

Frank W. Dufford has been promoted from personnel manager at Murray Hill to personnel manager of the east central zone. He will be succeeded by Elmer H. Maack.

Frank J. Dougherty has been appointed claim manager at Pittsburgh. He had been assistant claim manager at Murray Hill.

Paul M. Young has been appointed personnel manager at Pittsburgh.

Honor Kettner-Stafford Co.

At a luncheon in San Diego recently, Fireman's Fund group paid tribute to Kettner-Stafford Co. in recognition of 50 years as agents of Fireman's Fund. The luncheon was attended by officers and staff members of Kettner-

Stafford and Fireman's Fund personnel from Los Angeles and San Diego. Leonard T. Backus, resident vice-president of Fireman's Fund at Los Angeles, presented a framed certificate of appreciation from the company to C. J. Stafford, president of Kettner-Stafford.

GAB Makes N. Y., W. Va. Branch Manager Changes

General Adjustment Bureau has transferred Fred L. Bross from branch manager at Bronx, N.Y., to branch manager at Jamaica, N.Y., and has appointed Worthy E. Richardson branch manager at Huntington, W. Va. J. George Wills succeeds Mr. Bross at the Bronx office.

Mr. Bross joined the bureau in 1940 at Newark, transferred to White Plains, N.Y., in 1950 and to the New York office in 1951. He was appointed Bronx manager in 1955. He succeeds J. J. Casson, who has resigned.

Mr. Richardson went to the bureau in 1946 at Huntington, transferred to Elmira, N. Y., in 1954, and became assistant manager at Huntington last year. He succeeds Douglas T. Fuller, who has resigned.

Mr. Wills joined the bureau in 1946 at Brooklyn, transferred to Hartford in 1948, to the Bronx office in 1949 and to the New York office in 1955.

Atlantic Mutual Marks 100 Years of First Branch

Atlantic Mutual is marking the 100th anniversary of its first branch office at Boston and has issued a booklet in commemoration of the event.

George W. Coffin was first manager of the Boston office. In 1856 the company's premiums totaled \$3 million, almost exclusively from ocean marine cover. Today the group, comprised of Atlantic Mutual and Centennial, has 26 offices over the country and wrote premiums of \$37,450,000 in 1955 on all lines.

The booklet is in the form of a fictitious diary of life in Boston as might have been recorded by Mr. Coffin, but the historical events are factual. There have been only seven managers at Boston. Gardner W. Brown is the present manager.

Tex. Local Boards Elect

Newly elected officers of local Texas associations are as follows: Galveston Insurance Board: Mrs. Rita J. Flautt, president; Fletcher W. Harris, vice-president, and E. L. Dorsey, secretary (re-elected).

McAllen Assn. of Insurance Agents: Loel Green, president; Chester D. Ralston, vice-president, and W. E. Whitt, secretary.

Texas City-La Marque Assn. of Insurance Agents: Vincent J. Schmitt, Texas City, president; Don Davison, vice-president; and Ray E. Gilbert, secretary.

Assn. of Capital Stock Insurance Agents of Wichita Falls: Henry Mason, president; George Keith, vice-president; and Miss Winnie Foster, secretary, (re-elected). The name was recently changed from Wichita Falls Insurance Exchange.

Roy to West Coast for Traders & General

Paul W. Roy Jr. has been named Pacific coast manager of Traders & General of Dallas. The newly-created position involves over-all supervision of branch offices in Los Angeles, San Francisco, San Diego and Fresno with headquarters at Los Angeles.

Mr. Roy joined the company in 1949 as a special agent in Los Angeles. He was later named manager at San Diego, agency supervisor at the home office and then manager at Los Angeles.

Elwood T. Banning will succeed Mr. Roy as manager at Los Angeles. He joined the company in 1949 as a special agent and for the past several years has been agency supervisor in southern California.

Block Filing of I-R Is Unopposed in N. C.

A mercantile block filing was not opposed at a 40-minute public hearing before Commissioner Gold of North Carolina. Mr. Gold said his decision will come soon.

Appearing in behalf of the plan were

Jark Sorensen, assistant manager of Inter-Regional Insurance Conference; Elmer Twaits, assistant secretary of National Bureau of Casualty Underwriters; Kenneth J. Jones, assistant secretary of Mutual Insurance Rating Bureau; Harold L. Wayne, general manager of Inland Marine Insurance Bureau, and W. S. Bizzell, manager of North Carolina Fire Insurance Rating Bureau.

Richard Brantley, assistant executive secretary of North Carolina Assn. of Insurance Agents, told the commissioner that stock agents generally feel the mercantile block would fit the needs of a great many of their insured.

William A. Stringfellow, executive secretary of North Carolina Assn. of Mutual Insurance Agents, said his group is "heartily in favor of the filing."

Guarantee, Los Angeles, Names Arizona GA

Rohwer & Co., managing general agents at Phoenix, Ariz., has been named general agent in Arizona for Guarantee of Los Angeles.

London Assurance and Manhattan F&M., the other members of the group, have been represented in the state for many years by Rohwer & Co.

A MESSAGE TO THOSE WHO LIVE IN GLASS HOUSES

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EDITORIAL COMMENT

Drift of Business by Class

One concern of top management of insurers in these days is the danger of certain favorable classes of business declining or certain unfavorable classes increasing. This drift in classification of business has accelerated because of competitive pressures, commission increases here and there, by class or by territory, and particularly because of the development of new forms of coverage so that we have another line. The problem is one being closely watched personally by alert company executives.

The homeowners and comprehensive dwelling policies are applying pressure on the dwelling class. A company with 40% of its business traditionally in dwelling business, if it doesn't write the package policy or

write it as extensively as other insurers, may find its dwelling account shrinking. The commercial block will certainly put pressure on the fire, floater and burglary lines on commercial accounts. The big shift of course will be fire business, though inland marine, which in its time was regarded as putting pressure on fire and other lines, is itself feeling the pressure today. Executives are watching their general cover in order not to over assume accommodation risks. They are hanging on to dwelling volume by pushing the package policies. They are studying classes of business agency by agency, they are increasing net lines on favorable classes, and, most important of all, they are asking for the kind of business they want.

Reference Is Made to Your Letters...

A large amount of correspondence is both necessary and important in the insurance business. Because this is true, it might be assumed by those unfamiliar with the situation that letter writing has become something of a fine art among insurance correspondents. This is anything but true. Both the essential and routine insurance letters are for the most part poorly constructed, overly long, indirect, vague, lacking in clarity and contain too many clichés.

Anyone who is interested seriously in improving his letter-writing technique should ask himself first of all, "What is a letter?" The answer is that it is a substitute for a personal conversation or a telephone call. This being the case, a letter should bear as much resemblance as possible to a face-to-face talk. No one should begin a letter by say "Reference is made to your letter of the 14 inst." Yet there are hundreds, even thousands, who are using some such language as this in nearly every letter they write. Their letters are stiff and stilted. Yet in their usual conversation these people are direct and factual in what they have to say.

There is so much the matter with so many of the letters being written in the insurance world that to discuss all their defects would take a long essay. Noticeable and welcome correction would come if a few points would be kept in mind. Some of them are:

1. Use short sentences and short

rather than long words; say "buy" instead of "purchase"; "find" instead of "discover"; "route" instead of "itinerary"; "store" instead of "retail establishment", and "factory" instead of "manufacturing plant."

2. Write as you talk. Avoid "fancying up" any letter you write. Write it the way you'd say it.

3. Do all you can to confine each letter to one page. Anything beyond one page tends to become a treatise.

4. Discard the belief that long words indicate that you are "educated." The most highly educated are those who have learned to convey their exact meaning in plain, simple words that are readily understood by nearly everybody.

A celebrated letter writer of 35 years ago was Edson S. Lott, for many years president of United States Casualty. He would write a letter like this, "The answer to the letter that you wrote me on July 13 is yes," or "You are right in what you said in your letter of Aug. 24. We will proceed accordingly," or "For a variety of reasons, we cannot do what you ask in your letter of Dec. 18." His letters were always short, pithy, shorn of all unnecessary or extraneous language, but completely understandable. They did not contain a statement and then two or three other supporting, explanatory but repetitious statements. Mr. Lott said what was to be said briefly, but because of its simplicity it was crystal clear.

It is our conviction that anyone who

will review his correspondence for the past several months with the idea in mind of determining whether everything he wrote might not have been said by the use of half or one-third of the space will conclude, as we have, that there is room for a great deal of improvement in the letter-writing hab-

its of those who are carrying on the bulk of the correspondence in the insurance business.

Some companies have tackled the letter-writing problem in an aggressive and intelligent way. The results are so good that it is surprising the idea hasn't spread a lot faster. It should.

PERSONAL SIDE OF THE BUSINESS

New vice-presidents of American Surety are **C. G. Eldridge** and **George M. Morrison**. Mr. Eldridge has been



G. M. Morrison



C. G. Eldridge

manager of the personnel department. Mr. Morrison joined the company in 1933 in the casualty claim department and became manager of that department in 1951.

Marjorie Sheahan, assistant secretary of Excess Underwriters, Inc., Chicago, will be married April 28 in Indianapolis to **William B. Sloan**, formerly associated with Hoskins Construction Co., insurance company contractors and appraisers in Chicago. Miss Sheahan has been with Excess Underwriters for 11 years and was appointed assistant secretary about five years ago. She has resigned her business activities and will reside in Indianapolis.

Louis F. Hawley, president of Newhouse & Hawley, Inc., of Chicago, and **Frederick G. Bliss**, vice-president and manager of the New York office, are

in London on an extensive visit with their Lloyds brokers. The trip culminates a broad expansion program of Newhouse & Hawley. The firm has recently opened an office in Indianapolis.

S. O. McLean, inland marine superintendent of Western Adjustment, is recovering from an emergency appendectomy at Swedish Covenant hospital, Chicago. He will be back at his desk in three or four weeks.

Joseph W. Sargent, assistant U. S. manager of London Assurance, and Mrs. Sargent are the proud parents of a baby daughter, Kathleen Ann.

Reese E. Roston, Los Angeles agent who is active in CPCU affairs, was honored by Brentwood Country Club for a hole-in-one made on the 11th hole of the club course March 22. It was the second hole-in-one made by Mr. Roston in nine months.

Dale G. Stentz, executive supervisor of Western Adjustment, is in St. Francis hospital, Evanston, Ill., where he is recovering from an operation. He is expected to be back on the job in three or four weeks.

James S. Kemper, chairman of Lumbermens Mutual Casualty, has been elected to the board of Fairbanks, Morse & Co.

J. Victor Herd, president of America Fore, has been reelected a director of National Industrial Conference Board.

DEATHS

FRANK A. UNGLES, 75, retired president of General Casualty & Surety of Atlanta, died at Iowa Methodist hospital in Des Moines. He had entered the hospital March 27 to undergo surgery for cancer.

Mr. Ungles was born in Denison, Tex., and it was there in 1907 that he became one of the founders of Southern Surety. He served as first vice-president until 1930. Southern Surety had its home office in Des Moines from 1924 until 1930. In 1931 he became first vice-president of National Union Indemnity and later became editor of Dunne's insurance

reports. He became president of General Casualty & Surety in 1944 and retired two years ago to return to Des Moines.

CHARLES MacARTHUR, famed playwright who died in a New York City hospital at age 60, had two brothers who long have been prominent in insurance. John D. MacArthur is president of Bankers Life & Casualty, and Alfred MacArthur is chairman of Central Standard Life. Another brother, Telfer, is publisher of a weekly newspaper in Oak Park, a suburb of Chicago.

NEIL H. REYNOLDS, 51, assistant secretary of Aetna Fire, died of a heart attack in Hartford hospital. He

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PHILADELPHIA 9, PA.—1027 S. Broad St., Room 1127, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.



joined the group in 1929 as a casualty adjuster in Chicago. He was promoted to manager of the claims division at Syracuse, N. Y., the following year and transferred to Boston as assistant manager in 1935. Later that year he returned to Chicago as claims manager and transferred to the legal department in Hartford in 1949. He was named assistant secretary in 1950 and was appointed assistant manager of New York claims in 1955. He resided in West Hartford.

WILLIAM U. WILLIAMS, 68, retired Jackson, Mich., local agent, died at Bradenton Fla., after an illness of several weeks. Mr. Williams retired in 1949 and moved to Florida. He was at one time a catcher for the Pittsburgh Pirates.

EUGENE SUTER, 71, New York City insurance broker, died in White Plains, N. Y., hospital. He resided in White Plains.

SPEED S. FRY, 56, formerly with the Barham & Mitchell agency at Los Angeles, died at his Beverly Hills home.

GARRY C. HOUSE, 85, former president and board chairman of Providence Washington, died at his home in Providence. He also had been vice-president of the Blackstone Canal National Bank and People's Savings Bank of Providence.

W. ELLERY ALLYN, 70, former insurance commissioner of Connecticut and past president of NAIC, died in Lawrence Memorial hospital, New London, Conn., following an operation.



W. Ellery Allyn

Mr. Allyn served as Connecticut commissioner from 1943 to 1955 when he was succeeded by T. J. Spellacy. He served four terms as state representative in the state assembly and was a member of the insurance advisory committee to the munitions board of the Defense Department in World War II.

J. F. WALTERS, 64, local agent of Belcher, La., and Louisiana deputy fire marshal, died in Shreveport after a short illness.

ERNEST A. BURTZLOFF, resident vice-president of the south-eastern office of American Mutual Liability, died in Atlanta. He had been with the company 35 years.

WILLIAM F. HIGGINS, 67, president of Export Ins. Co. of New York, died at his home in Brooklyn.

C. J. WIEDENHEFT, 61, assistant secretary of the McCabe-Hengle agency of Chicago, died at St. Anne's hospital there. He had been with the agency for 45 years.

GERSON BEDACH, 60, local agent at Calvert, Tex., died at Bryan of a heart attack.

WALTER E. HARWELL, 75, of Davis & Corson general agency of Nashville, died there after a short illness.

EDGAR E. WATTS, 74, who retired in January as vice-president and treasurer of Texas Employers and Employers Casualty, died of a heart attack at his home in Dallas. Mr. Watts

joined Texas Employers as an accountant in 1915 the fourth employee to be hired by the firm. He was named assistant secretary-treasurer of the casualty company when it was organized in 1920, assistant treasurer of Texas Employers in 1922 and vice-president and treasurer of both companies in 1928.

WILLIAM QUAID, 79, former executive of Home in charge of its Pacific and foreign departments, died. Mr. Quaid began his insurance career as an examiner in 1908 after service as a "rough rider" in the Spanish-American war. In 1929 he was elected executive vice-president of Southern Fire which later became Gibraltar Fire & Marine and merged with Home. Mr. Quaid retired from the company in 1946.



William Quaid

WILLIAM H. LORING, 85, partner in the Boston general agency of John H. Eddy & Co., died in Melrose, Mass. He joined the former W. C. Holden agency in 1893 and was named a partner in 1910 when the agency became John H. Eddy & Co.

Helena Agent May Oppose Holmes for Montana Post

Alex Cunningham, local agent at Helena, has announced he will campaign for the Republican nomination to state auditor and insurance commissioner. Mr. Cunningham's father held the post from 1905 to 1911, and then went with an insurance company.

Mr. Cunningham is the first Republican to enter the primary for state auditor, and if he wins the nomination he will oppose the incumbent, John J. Holmes, Democrat, who has had the position since 1933 and has filed for renomination.

Crawford Joins S.C. Insurance Department

W. D. Crawford of Columbia has joined the South Carolina insurance department as fire and casualty analyst. He was formerly with Firemen's of Newark as special agent in South Carolina. He fills a position formerly held by J. E. McDavid Jr., who has been named deputy commissioner.

Sullivan Files for Sixth Term as Kan. Commissioner

Commissioner Frank Sullivan of Kansas has filed for his sixth term as insurance commissioner. He has been in office for 10 years and is a past president of National Assn. of Insurance Commissioners.

Ia. Mutual Agents Elect

L. J. Hawley of Laurens was elected president of Iowa Assn. of Mutual Insurance Agents at the annual meeting in Des Moines.

Other new officers are: William Rutenbeck of DeWitt, vice-president, and Vernon S. Peters of Lansing, secretary-treasurer.

New directors are Lee L. Owens of Traer and Howard True of Avoca.

Toledo Assn. of Insurance Agents heard George J. Gould, attorney there, discuss primary and secondary liability arising from vehicle and train accidents.

A. A. Korte, Surety Veteran of Chicago, Is Retiring

Albert A. Korte who has specialized in surety bonding since 1917, has retired as vice-president of W. A. Alexander & Co. general agency of Chicago. He will remain with the agency as an active broker.



A. A. Korte

Mr. Korte has spent his entire insurance career with Alexander & Co., starting shortly after graduating from De Paul university law school. He was manager of the bond department of Alexander & Co. for many years until 1948, when he was elected a vice-president. Under his supervision the bond department of Alexander became one of the largest in the city.

Recognized as the dean of surety men in Chicago, Mr. Korte is a past president of Chicago Surety Underwriters Assn., and has been chairman of a number of its committees.

Results of Sales Drive Somewhat Overstated

The printers added \$27 million to the premiums which resulted from the Aetna Casualty sales campaign recently among graduates of the company's agency school. The drive resulted in \$3.6 million of new premiums and not \$30.6 million as stated in the story in last week's issue.

Factory Mutuals Have Biggest Loss in GE Explosion

The biggest loss this year for the Factory Mutuals is the \$3-\$4 million insurance loss on the explosion and fire in a paint and varnish section of the main General Electric plant at Schenectady, N.Y. The Factory Mutuals had the entire coverage.

The building in which the explosion occurred was sprinklered, but the explosion damaged much of the sprinkler system so it was not useful in the fire which followed. The main building which housed the paint and varnish plant was badly damaged and surrounding buildings were damaged by the explosion. There was no use and occupancy coverage on the building.

Nordstrom to Wis. Field for Atlantic Mutual

Atlantic Mutual group has appointed Wesley R. Nordstrom Wisconsin state agent at Milwaukee. He will assist John M. Birmingham, manager. He was formerly state agent of Loyalty group in Wisconsin.

Harriman Signs Bill Raising Disability Pay

Gov. Harriman of New York has signed a bill raising sickness disability benefits from \$33 to \$40 a week and extending the maximum benefit period from 13 to 20 weeks.

American Fire of Galveston is changing its name to American Fire & Indemnity and will write the multiple line business.

On your staff, but not on your payroll



Mutuality Magazine

Between the covers of this magazine comes some of the most helpful, thought-provoking material you'll find in an insurance journal. Published each month in the interests of Northwestern's representatives, it contains a wide variety of articles by specialists in the various fields of insurance. Many agents also contribute articles and ideas that readers find profitable.

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Formerly Northwestern Mutual Fire Association

Insurance Plays Big Role in Safety Show

Insurance companies took a prominent part in the annual safety convention and exposition of Greater New York Safety Council at New York.

Several companies set up interesting displays while others were represented by speakers on various forums during the week-long session.

Record crowds viewed the more than 160 displays and listened to the more than 40 forums and talks ranging from safety in the home to accident prevention programs in 15 types of industry.

Among insurance and allied companies utilizing display space at the exposition were Aetna Casualty with its Drivotrainer; Metropolitan Life with a series of statistical bulletins on accidents; State Fund with a display of safety pamphlets, and Walter Kidde & Co. with a show of fire fighting and fire alarm equipment. The Aetna Casualty display drew considerable attention from spectators when the Drivotrainer was in action. This display also included a pamphlet and pictorial promotion of the Los Angeles evaluation

of the Drivotrainer and an electronic questionnaire which tested the individual's driving knowledge.

Among the speakers at the forums were Arthur S. Johnson, vice-president and engineering manager, and Mrs. Helen M. McAlinsh, women's safety counselor, both of American Mutual Liability; Lewis R. Morrison and J. P. French, Lumbermens Mutual Casualty; George W. Bowen, James F. Van Namee and C. R. Williams, all of Liberty Mutual; N. W. Pinkham, William J. Hyland and Reuel C. Stratton, assistant superintendent of engineering and loss control, all of Travelers; John V. Grimaldi, assistant manager of accident prevention, Assn. of Casualty & Surety Companies; Henry W. Beyerman, Employers Mutual Liability, and Charles A. Muller, safety engineer, Aetna Fire.

Wilkinson Named in Tex.

Alfred E. Wilkinson has been named chief rater in the Texas department to succeed the late H. G. Ogletree. Mr. Wilkinson joined the fire division of the Texas department in 1947, and has been rate district supervisor for several years.

Beverly Hills Gives ADT Security System

Beverly Hills, Cal., has transferred to American District Telegraph Co. the emergency signalling service operated by the city for business firms and residents for more than 20 years. Addition of these subscribers will increase to 115 the number protected by ADT in Beverly Hills.

One reason for transferring the system to ADT, according to Police Chief C. H. Anderson of Beverly Hills, is that the company's engineering staff has developed many new electric and electronic devices to give protection, impossible for a small operation to develop and maintain. He also commented that the city council does not wish to compete with private industry. He said that transfers of circuits to ADT will be made in the next few months. During that time ADT representatives will check individual systems and recommend modernization for greater security if necessary.

Weghorn Establishes Insurance School Award

John C. Weghorn, president of Weghorn agency of New York City, has established an award for creative thinking on the American agency system. It will be given by the school of insurance of Insurance Society of New York.

The award, consisting of a \$100 savings bond, will be given to the student who judges decide has written the best thesis containing constructive and creative thinking on methods to improve the American agency system.

Judges for the award are Superintendent Holz of New York, Prof. Ralph H. Blanchard of Columbia university and James B. Donovan of Watters & Donovan law firm of New York. Dean Arthur C. Goerlich of the school of insurance will administer the award.

Western Adjustment Names Two

Western Adjustment has promoted C. E. Murray to claims supervisor in the head office and appointed G. V.

Waldee, casualty adjuster, to the Elgin, Ill., staff.

Mr. Murray has had eight years of claims experience with New Amsterdam Casualty, America Fore group, and Loyalty group. He will supervise adjustments in the metropolitan Chicago Area.

Mr. Waldee will service the territory formerly handled by C. E. Murray. Mr. Waldee has been with Farmers group and Allstate.

Propose Local La. Catastrophe Board

Capital Stock Fire Insurance Assn. of Louisiana has proposed creation of a joint catastrophe loss committee to function on losses of any size under \$1 million.

Sidney Eshleman of Loyalty group said that the committee would consist of eight men, two representatives each from the association, General Adjustment Bureau, Independent Adjusters Assn. and from local capital stock agents. The committee would also assist National Board in functioning on losses over \$1 million.

N. Y. Auto Claims Men Elect Farrell Head

Automobile Claims Assn. of New York City has elected Daniel J. Farrell of Mount Beacon president, William C. Paddock of London Assurance vice-president, Walter Schaefer of Sun of New York treasurer, and Mario Cacace of American Fidelity secretary.

A. L. Schroeder Promoted

Allen L. Schroeder has been named by Providence Washington as superintendent for the automobile and casualty department for the Pacific coast territory. He has been with the group since 1951, and the automobile and casualty department since 1952.

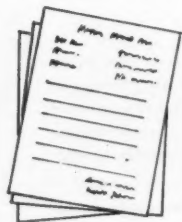
Rule on Superintendent's Bond

COLUMBUS, O.—The attorney general has ruled that a licensed surety company may properly provide surety on the bond of the insurance superintendent. The opinion was requested by the state auditor.

LASTING IMPRESSIONS through better printing

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Kansas City's first and only office
of a London brokerage firm
Represented at Lloyds, London

Lloyds Broker Opens Branch Office at Kansas City

Ingolf H. E. Otto, Kansas city general agent, has opened Kansas City's first branch office of a London Lloyds brokerage firm: J. K. Seear (U.S.-A.) Ltd. The new facility will be operated under Mr. Otto's management along with his general agency for domestic companies.



Ingolf H. E. Otto

J. K. Seear visited Kansas City to open the new office and said Kansas City was selected as the most appropriate place for opening such a branch office because of its central location, its increasing prominence as an insurance center, and its progressive growth.

No attempt will be made to compete with the regular admitted American companies, he said, but special attention will be given to the unusual and difficult insurance problems for which Lloyds has become known.

Mr. Otto, a CPCU, has been a field representative of Royal-Liverpool group, general manager of Oppenheimer Brothers, a professor of insurance and management at the University of Kansas City and George Washington University.

State Farm to Build Regional Office in Ore.

State Farm Mutual Auto will build its Pacific northwest branch in the Salem, Ore., area, and the company has bought a 26-acre site northwest of the Salem city limits. Construction will begin in 1957. Initially, the branch will service policyholders in Oregon and Washington, now numbering more than 160,000. Idaho and Montana business will be added later.

Honey Rejoins Seeley & Co.

Durwood L. Honey has rejoined the Seeley & Co. general agency as manager of the special risks department at Seattle. Mr. Honey started in insurance with Seeley & Co. at Seattle in

1947 and remained until 1953 as head automobile and casualty underwriter. Since 1953 he has been with McGraw, Kittinger & Case, Seattle agents and brokers.

Backs Editorial for Letterhead Addresses

Miss Jean P. Riggs, deputy commissioner of the Wyoming insurance department, writes:

You recently ran an editorial in THE NATIONAL UNDERWRITER commenting on the fact that many, indeed most, insurance companies do not show their street addresses on their letterheads.

In the March 22 issue I am pleased to see you have received considerable support.

As a member of a state regulatory body having a voluminous daily correspondence with insurance companies, I would like to raise my voice in a cheer.

In our department, when we receive a letter from an insurance company requiring an answer (and all of them do), it is necessary for us to staple the envelope to the letter, and until such time as the reply is typed, the envelope must stay there. The alternative to this practice is for our department personnel to look up the address of each company. You can see how cumbersome this would be especially since all of the correspondence is not from the head office.

Frankly, I cannot see any reason why a company should leave its street and mailing address (if different) off its letterhead and envelope.

As a matter of fact this belief that, "everyone knows where we are," has gone a step further, and we have lately been receiving wires asking for forms from cities like Chicago, San Francisco, and New York signed only with a name and title of a minor executive, with no name of company to identify the gentleman in question.

I am very grateful indeed to you for bringing this matter to the attention of the insurance companies in this country, and I can't believe that this practice would continue even for company executives if they knew what a nuisance it is to the rest of the world not associated with their companies.

Back Bill to Try Juveniles in Adult Traffic Court

A bill has been introduced in Rhode Island legislature that would require juveniles charged with motor vehicle violations to be tried in the regular adult traffic court.

Automobile Club of Rhode Island has overwhelmingly endorsed the measure, according to a club poll. The club also reported that more than 100 high school students at a teen-age traffic safety conference were in favor of the change. Young traffic violators are now tried in juvenile court.

The club poll also showed favor for legislation requiring every motor vehicle to be equipped with a governor to hold its top speed to 70 mph.

Bituminous Promotes Price

Leonard S. Price has been appointed manager of the Louisville claim office of Bituminous Casualty.

Mr. Price joined Bituminous in 1950 at Louisville. He has since managed the Norton, Va., and New Orleans, La., offices and more recently served in a supervisory capacity in both the claim and executive departments at the home office.

Walter Speaks in Wichita

Howard F. Walter of the western department, North British group, Kansas City, was the featured speaker at the April meeting of Wichita Casualty & Surety Assn. Mr. Walter spoke on the trend of the burglary business and its integration with the modern block and package policies before the largest attendance in the group's history.

Blanks Committee to Recommend Dwelling, Commercial Blanks

Two lines for package policies will be recommended to National Assn. of Insurance Commissioners for inclusion in the annual statement by the NAIC blanks committee. The committee met in New York City to study and prepare recommendations for the NAIC midyear in June at St. Louis.

The lines, 4 and 5 will be marked "homeowners multiple peril" and "commercial multiple peril," respectively. These changes would effect pages 6, 7, 8, 9, 14 and 38. The same two lines would also be included in the expense exhibit.

The only other important change the blanks committee will recommend is adopting the name "growing crop" for "crop-hail." This change is considered because the new all risk crop policies will include coverage on more than hail for growing crops.

Mid-America F.&M.

Appoints Gott V-P

Mid-America Fire & Marine has appointed William E. Gott vice-president and executive officer.

Mr. Gott began his insurance career

in 1929 with the Allemania Ins. Co., Memphis, and later joined General Adjustment Bureau in Little Rock. After seven years as a loss adjuster he joined Gross R. Scruggs, general agents, as Arkansas state agent. After army service he returned to Gross R. Scruggs and in 1947 joined Kansas City Fire & Marine.

American Surety Votes Large Capital Increase

American Surety stockholders have voted to increase its capital from \$7.5 million, consisting of 300,000 shares with a par value of \$25 each, to \$12.5 million, consisting of two million shares with a par value of \$6.25. The present 300,000 shares outstanding will be split four to one to produce 1,200,000 shares. The other 800,000 shares at \$6.25 is equivalent to \$5 million, which, added to \$7.5 million equals the authorized \$12.5 million capital. The stock split will be effective April 30.

OK Harbor Stock Dividend

The California department has granted a permit to Harbor of San Diego to issue a dividend of 10,000 shares of its \$5 par value stock to holders of record Dec. 31, 1955, in a ratio of one new share for each 11 shares outstanding. The dividend is being paid from surplus.

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FIELD

Strayer, Faherty to Ohio for Crum & Forster

The Crum & Forster companies have opened a field office at Dayton, O., under the supervision of State Agent N. F. Strayer. He will supervise Dayton, Toledo and adjacent counties.

Mr. Strayer joined the companies as a special agent in Iowa in 1950 after three years with Iowa Inspection Bureau. He was named North Dakota state agent in 1952 and assistant manager of the Chicago office in 1954, where he supervised Cook county production and agency development.

He will be assisted by B. C. Faherty Jr., who joined the companies in 1954 after three years with Illinois Inspection Bureau.

The territory was formerly under the supervision of H. J. Murphy and Robert W. Leedy, Ohio state agents for Crum & Forster. The company said reduction of the territory was designed to give all agents in Ohio more prompt and efficient service. Plans are being made to establish a field office at Toledo.

150 Field Men to Inspect Joliet, Ill., May 22

Illinois Fire Prevention Assn. will inspect Joliet May 23. The inspection is to be sponsored jointly by Joliet Assn. of Commerce and Joliet Assn. of Insurance Agents.

On the evening of May 22 there will be a meeting which will serve as a refresher course for the older field men and an indoctrination for newer field men to town inspections. It is expected approximately 150 field men will participate in the Joliet inspection.

Mich., Neb. Fields Changed by N. H. Fire

New Hampshire Fire group has appointed Donald R. Witbeck state agent in Wisconsin and the upper peninsula of Michigan and promoted W. Keith Greenstreet from special agent to state agent of Nebraska and South Dakota.

Mr. Witbeck, who has been a special agent of Boston and Old Colony in north Illinois, will be associated with Special Agent Harry J. Newman at room 506 Caswell building, 152 West Wisconsin avenue, Milwaukee.

Mr. Greenstreet succeeds State Agent Howard H. Jelinek who recently was named an assistant secretary and transferred to the home office.

N.Y. Underwriters Names Probert Bay Area Special

New York Underwriters has appointed Raymond A. Probert special agent in the San Francisco Bay area. He was formerly in charge of the service department. His headquarters will be at 301 California street, San Francisco.

Riley to N. Y. Field

Caledonian-Netherlands group has appointed James M. Riley state agent in New York state at Syracuse.

Kansas Field Meets Scheduled

Kansas Fire Underwriters Assn. and Kansas Fire Prevention Assn. and Kansas Blue Goose have scheduled their annual meetings for May 15-17 at Wichita.

Steel City pond of Blue Goose at Pittsburgh has formed a ladies auxiliary.

Mohaak Flight at Joplin Draws Record Attendance

Oklahoma pond of Blue Goose was host to the Mohaak Flight at its meeting last week in Joplin, Mo. The flight is composed of the Heart of America, Kansas and Oklahoma ponds.

After a golf tournament there was a banquet and entertainment. Attendance was the best on record.

Winner of the golf tournament was Hal De Longys who gained permanent possession of the cup. Runner-up was Noble Birmingham, most loyal gander of the Oklahoma pond.

The Heart of America pond conducted a model initiation in charge of Lloyd C. Barber, PMLG of the Heart of America pond. The charge was given by Alex B. Young, past most loyal grand gander.

Speaker at the banquet was Allie Reynolds, former New York Yankee pitcher, and there was a talk by Russell Holloway, well known toastmaster of Oklahoma City. George E. Wyatt of the Oklahoma pond gave an exhibition of magic. Special guest was Robert L. Wiseman, MLGG, who spoke briefly.

American Names Smith Special at Albany

American has appointed Arthur F. Smith special agent at Albany. His office will be in National Savings Bank building, 90 State street.

He has been special agent of Atlantic Mutual in New York.

McKay to Address N. J. Fire Prevention Annual

Robert McKay, assistant secretary of Eastern Underwriters Assn., will speak at the annual meeting of New Jersey State Fire Prevention Assn. May 15 at Trenton. Plans will be discussed for a town inspection by the group in the fall and officers will be elected.

Williams to S. C. Field for Royal-Liverpool

Royal-Liverpool group has named W. C. Williams state agent in South Carolina at Greenville, succeeding Daniel C. Breeden who is resigning to enter a local agency.

Mr. Williams joined the company in 1951 in the general cover department at New York. He became special agent at Richmond, Va., in 1954 and transferred in the same capacity to Wilson, N. C., last year.

Agricultural Names Haser Special Agent

Agricultural group has named L. George Haser special agent in suburban New York City. His field includes Westchester, Putnam, Rockland and Richmond counties. He joined the company in 1954. He has completed the company's field training course.

Anderson to Neb. Field for Scottish Union

Scottish Union has named Richard E. Anderson state agent in Nebraska and Iowa. His headquarters will be at Omaha. He was formerly Nebraska special agent of Grain Dealers Mutual.

Mid-South Pond Dinner

Mid-South pond of Blue Goose held a dinner dance in Memphis recently. There was a large attendance of members and guests from the area in Tennessee, Arkansas and Mississippi surrounding Memphis.

Wis. Field Club Hears Cox

W. J. Cox, vice-president of American Appraisal, spoke on "Climate for Sales Decisions," at the quarterly

meeting of Wisconsin Fire Underwriters Assn. at Milwaukee.

Association President P. J. Raffin of Fire Association announced that the annual meeting would be held June 19-21 at Maxwellton Braes, Baileys Harbor, Wis. Wisconsin Blue Goose will meet the first day and the field club on the following two days.

Poughkeepsie Field Men Elect Vogt President

Poughkeepsie (N.Y.) Field Club has elected Fred Vogt of America Fore president, Henry Juckett of Glens Falls vice-president, Charles Coleson of Crum & Forster secretary and Richard A. Voorhis of Royal-Liverpool treasurer.

Security-Conn. Names Dean to Ill. Field

John F. Dean has been appointed special agent in southern Illinois by Security of New Haven. He will assist William M. Miller, state agent, with headquarters in St. Louis. The former southern Illinois office at Decatur, Ill., has been closed.

Mr. Dean was a local agent before joining Maryland Casualty as an underwriter. He was appointed special agent for that company after World War II.

Parker Speaks on F.I.A. at Mass. Field Club

E. H. Parker, executive assistant of the New England department of Factory Insurance Association, spoke on F.I.A. and the company field man at the April meeting of Western Massachusetts Field club at Springfield. He discussed the growth of F.I.A. and the operations used in insuring large manufacturing risks.

Inspect Mt. Clemens, Mich.

Michigan Fire Prevention Assn. inspected Mount Clemens. The field men inspected 273 risks, of which 222 were found defective. A total of 785 recommendations were made. Taking part in the inspection were 38 field men, 15 boy scouts and 20 firemen. B. H. Peterson, Automobile, spoke at the luncheon.

Bennett & Corley, Nashville general agency, has named Lynch B. Corley a partner. He had been with American Casualty.

A & S

Mutual Benefit H.&A. to Have 16-Page Ad in N.Y. Times May 13

Mutual Benefit H.&A. will publish 16 pages of advertising in the May 13 issue of the New York Sunday Times. The advertisement, believed to be the largest A&S insurance ad ever placed in a major medium, will be in a separate magazine section.

The advertising is designed to do a public relations job, and at the same time describe the advantages of Mutual Benefit's coverages through selling articles, features and pictures.

Participating in preparing the material were more than 100 company officials, employees and policyholders. President V. J. Skutt, wrote a special article, and the newspaper columnist, Bob Considine, in a story tells of his interviews of policyholders across the country.

Other articles explain the financial

structure of the company, features of its coverages, training of its agents and progress that has been made in the last 47 years. A special two-page spread lists names and addresses of all general agents, district and group offices.

Roberts & Reimers advertising agency of New York prepared the ad.

Denham Heads A&S Unit of Secured of Indianapolis

David S. Denham has been named manager of the accident and health department of Secured of Indianapolis.

Mr. Denham has had many years experience in underwriting and claim management as well as in accident and health field operations and accounting. He was in personnel management with a local industrial firm prior to joining Secured.

Direct Mail A&S Insurers to Meet at St. Louis, June 1

The annual meeting of Assn. of Insurance Advertisers will be held at the Statler Hotel, St. Louis, June 1, the closing day of the convention of National Assn. of Insurance Commissioners. Joseph McGee Jr., Old American, Kansas City, is president of the group, and Charles Rowan, Milwaukee attorney, is secretary.

Dinner Dance at Dallas

Dallas Assn. of A&H Underwriters honored Clifford E. McDonald, International Fidelity, president of the International association, with a dinner dance. There were approximately 150 members attending.

J. Frank Smith, Southland Life, president of the Dallas association, was in charge of the first part of the program, and introduced the retiring and new officers of the local organization. R. L. McMillon, Business Men's Assurance, Abilene, handled the second part of the meeting, introducing the past presidents of the state association and the newly elected officers.

Chicago Roundtable Members See Film at April Meeting

More than 45 Chicago A&H Roundtable members at the April meeting viewed the U.S. army film "Shades of Gray" dealing with case histories of patients with mental disorders ranging from mild anxiety states to severe depressive reactions and paranoid psychoses. The nominating and constitutional committee reported on the slate of nominees and constitution which will be voted on at the May meeting. Herb Nietzold, Bankers Life & Casualty, was chairman.

A&S Premiums Show 40% Gain

All American Life & Casualty, which recently moved its home office from Chicago to suburban Park Ridge, registered a first-quarter A&S sales increase of 40% over that for the same 1955 period. A goal of \$3 million in A&S premiums has been set for 1956. This will represent a gain of \$1 million.

The company expects to enter the life field soon.

A&H Club to hear Non-Can Talk

Peter J. Burns, executive assistant of New York Life, will discuss why his company withdrew from the field of cancellable coverage in favor of non-cancellable at the May 1 meeting of A&H Club of New York. The meeting will be at 139 Broadway.

Sammons Joins Ad Agency

Francis E. Sammons Jr., agency director at the home office of Bankers Life & Casualty, is joining the J. Walter Thompson Co. advertising agency at the New York office effective May 1.

Speakers Named for St. Louis I-Day, May 7

Agency management, competition, and agency perpetuation will highlight the St. Louis I-Day program, May 7, at the DeSoto hotel.

Richard J. Layton, vice-president of Rough Notes Co., will open the program with the topic "Office Management and Work Simplification." The talk will include many suggestions for office employees.

"Keep Ahead of Competition" is the subject of a talk by Rhea Hurd, sales promotion superintendent of American Automobile.

The closing feature will be an address by Dr. John D. Long, insurance professor at Indiana university, on "Will Your Agency Survive You?"

St. Louis I-Day is being sponsored by Insurance Board of St. Louis in cooperation with Insurance Council, Casualty Executives Assn., St. Louis pond of Blue Goose, Great & Jovial Order of Cats Meow, Associated Insurance Agents & Brokers, Brokers Assn. of St. Louis, Missouri Fire Underwriters Assn., Assn. of St. Louis Fire Field men and Insurance Women of St. Louis.

Md. Casualty on Cal. Bond

Los Angeles metropolitan water district has awarded the contract for construction of a 10-mile six foot pipe line to Ukrobin, Polich & Kral and to Baker-Anderson Corp. at a bid price of \$4,505,173. The pipe line will run from LaVerne part way to the Garvey reservoir at Monterey Park. Maryland Casualty is the originator of the surety bond.

Brooks to Direct Institute Field Work

American Institute has appointed Harry F. Brooks director of field services. He has been with Travelers as a multiple line adjuster of life, fire and casualty claims. He also has been on the faculties of Pennsylvania State university and Youngstown university as a part time insurance instructor.

Mr. Brooks will work with colleges and universities in developing CPCU educational programs and will develop courses for use by the institute.

He is a graduate of Wharton school and holds a masters degree in life, fire and casualty insurance from University of Pennsylvania. He was an instructor in the insurance department of Wharton school in 1947 and 1948.

Buyers Clinic at Minneapolis

MINNEAPOLIS—University of Minnesota and Minnesota chapter of CPCU sponsored an insurance buyers clinic this week at the university. Among the topics covered were business interruption losses, products and completed operations, group employee benefits, and multiple peril policies. The clinic was designed to acquaint buyers with the elements to be considered in a sound insurance program.

Wilson Heads Raleigh Exchange

Frank Wilson has been elected president of Raleigh (N. C.) Insurance Exchange, succeeding Mrs. Florence Iseley. Other officers are Marion Fuller, vice-president; J. C. Allison, secretary-treasurer, and J. A. Leinster, assistant secretary-treasurer.

Kenneth O. Force, (left) executive editor of The National Underwriter is pictured with William M. Stell, vice-chairman of the I-Day committee, and Dr. Edwin S. Overman, assistant dean of American institute. Mr. Stell and Mr. Force and Mr. Overman were panelists on a forum on the professional agent's responsibility to himself.



Plan Catastrophe Loss Committee in Louisiana

NEW ORLEANS—Organization in Louisiana of a permanent joint catastrophe loss committee is being sponsored by the Capital Stock Fire Insurance Assn., the field men's organization. The function of the committee would be to set up an office wherever a disaster strikes, specifically taking care of situations where the estimated losses pass \$1 million. Under the proposed plan the committee would consist of two representatives each from the association, General Adjustment Bureau, independent adjusters association and Louisiana Assn. of Insurance Agents.

Bowes Joins Dooly & Co.

William E. Bowes, who has been special agent in Oregon for Aetna Casualty and before that was with the Oregon department as an examiner, has joined Dooly & Co. of Portland in the fire department.



Neill Crowley, (left) insurance buyer of American Cyanamid, who appeared on a panel on the professional insurance agent's responsibility to his client, is shown with Joseph Murray Jr., 1st vice-president of the D.C. association.



Speakers at Washington I-Day are pictured above. Huntington T. Block (left) chairman of the I-Day is shown with Archie M. Slawsky of Nashua, N.H., executive committeeman of National Assn. of Insurance Agents, luncheon speaker, and Herbert M. Pasewalk, president of the District of Columbia association.

Payroll & Other Casualty Audits & Inspections
Audits of Burglary & Bond losses.
Audits for reinsurance companies of payrolls, claims, etc.

Inland Marine Audits & Inspections.
Audits of Cargo Motor Lines to determine financial responsibility and outstanding claims.

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Connecticut General

Publication to Tell Insurance Story to College Students

NEW HAVEN—The Yale Daily News is getting up a special supplement in magazine form which will contain articles on all branches of insurance. It will be circulated free to male students at 55 leading colleges and universities in the fall. It is designed to tell students about insurance for their general information, to clear up prevalent misconceptions, and to interest a greater number of students in the insurance business as a career.

The publication, to be called *Insurance World*, will contain articles by insurance authorities and will be financed through advertising. The magazine is being promoted by John A. Newmark, national advertising manager of the Yale Daily News, who was editor of a similar publication put out last year, *Wall Street 1955*. However, its circulation was only 10,000, as against a planned distribution of 150,000 for the insurance magazine.

Associations Back D. C. Insurance Bill

Representatives of a number of insurance organizations were scheduled to testify April 25 before the House insurance and banking subcommittee in support of a bill to bring District of Columbia life and fire and casualty laws up to date.

Witnesses scheduled to appear included Wallace M. Smith, manager of American Mutual Alliance; Howard M. Starling, Assn. of Casualty & Surety Companies and District of Columbia Insurance Managers Assn. Herbert M. Pasewalk, president of District of Columbia Assn. of Insurance Agents, and

Charles M. Boteler, Washington agent and treasurer of National Assn. of Mutual Insurance Agents, were to file statements in support of the bill.

Milton Korman, assistant D. C. corporation counsel, said one part of the new bill would give the superintendent the same latitude in determining whether a license should be renewed as he has now in determining whether an original license should be granted. Heretofore the superintendent could not refuse a renewal unless a direct violation of D. C. insurance laws had been proved.

Phoenix-Connecticut Makes West Coast Changes

Phoenix-Connecticut group has made several staff changes in its Pacific department and moved its Los Angeles office to 3625 W. Sixth street.

Assistant manager Charles C. Luce has been transferred from Los Angeles to San Francisco where he will head the Pacific department casualty and bonding division.

At Los Angeles, Edward W. Blanchfield has been named metropolitan manager; Robert H. Dart has been promoted to agency supervisor; Will H. Harrison Jr., superintendent of the inland marine division, will also head the miscellaneous lines division, and Hallett L. Severson will head the casualty and bonding division.

Anderson Honored

Boston Board at its annual dinner honored Arthur J. Anderson of O'Brien, Russell & Co. general agency there with its man of the year award.

New Jefferson Mutual Officers

Oliver A. Berwin has been elected president of Jefferson Mutual Fire of St. Louis to succeed H. C. Kralemann. Harry Thies was named vice-president.

Employers Promotes Two Men in Claims

Employers' group has appointed David D. Banks assistant superintendent of the U.S. claim department and Henry G. Pade assistant superintendent of the New York claim department.

Mr. Banks has been with the companies 28 years, serving in supervisory capacities in the claim department. Most recently he has been supervisor of the workmen's compensation division.

Mr. Pade joined the group in 1940 in the miscellaneous claims division and in 1946 he became chief of that division, a position he has held since.

Excelsior Goes to Flat Commission of 25%

Excelsior is putting into effect a flat commission scale of 25% on all classes of business for agents in ordinary territory. The company will discontinue its profit sharing plan as of last Jan. 1.

Industrial, N. J., Names Akulonis Asst. Secretary

Industrial of New Jersey has named Albert W. Akulonis assistant secretary.

Mr. Akulonis was formerly assistant underwriting manager of the eastern department and has been with Hawkeye-Security group since 1951.

Hear Rogan in Dodge County

WAUPUN, WIS.—Commissioner Paul Rogan was the guest speaker at a dinner meeting of Dodge County Assn. of Insurance Agents. Among the 70 who attended were State Senator Frank Panzer, Assemblyman Elmer Genzmen, and Paul Mast, state association executive secretary.

Commissioner Rogan called the \$476,000,000 business in Wisconsin "one of the most fabulous of them all."

Bon Agency Elects New Officers

Guy W. Engle has been elected president of the Bon agency of Casper, Wyo., to succeed Cecil Bon, who has disposed of his interest in the firm and retired.

Other new officers are R. G. Wildman, vice-president, and D. J. Bennion, secretary. Mr. Engle joined the 40-year-old agency 23 years ago. Mr. Wildman and Mr. Bennion have both been with the agency for eight years.

Acquit Insurance Men of Conspiracy in S.C.

Richland county (S.C.) general sessions court acquitted George R. P. Farquhar, J. W. Verle and J. R. Reinhardt of charges of conspiracy to file a false statement of the financial condition of Guaranty F&M. with the South Carolina insurance department. However, Mr. D'Verle was found guilty of violating the statute against filing a false annual report with the department and, Mr. Farquhar had already pleaded guilty to that charge. Mr. Reinhardt was charged only with conspiracy.

Mr. Farquhar is president of Guaranty F&M., which is in receivership. Mr. D'Verle is secretary of the company and Mr. Reinhardt is a former insurance department examiner.

Mr. Farquhar was fined \$1,000 and Mr. D'Verle \$800.

During the trial Mr. Farquhar testified that he was responsible for changes made in the statement of the 1954 financial condition of Guaranty F&M.

Farmers Exchange Hikes Auto Rates Nationally

Farmers Exchange has increased its automobile rates nationally between 6 and 7%. The increase on bodily injury liability is 10% while PDL and comprehensive are increased slightly less.

Doane to Allstate at Seattle

Richard P. Doane has resigned as special agent for National of Hartford at Seattle to join Allstate as a management trainee there. He has been with the National of Hartford since 1948, having spent two years in San Francisco and the past six years as special agent at Seattle. He started in insurance at San Francisco as a marine underwriter for Balfour, Guthrie in 1947.

Firemen Told How Rates Are Made

John D. Maldegan, a Michigan Inspection Bureau engineer, addressed Southern Michigan Assn. of Fire Chiefs & Firemen at Jackson, explaining the fire protection factors given most consideration in rate-making. Francis Hartman of the University of Michigan extension service spoke on the university-sponsored fire college to be conducted June 19-22.

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Agricultural Names Anger N. Y. Secretary, Changes Mich. Field

Howard C. Anger, manager of the New York brokerage and service department of Agricultural and Empire State, has been named resident secretary there. The company has also appointed Grant M. Buchanan of Duluth state agent in Michigan.

Mr. Anger has been with the companies 25 years. In 1931 he was special agent in suburban New York and later he became manager of the brokerage and service department. The suburban field, which he formerly supervised, has been assigned to L. George Haser, special agent, who will have headquarters in Bronxville.

Mr. Buchanan succeeds Elmer E. Sademan, who has been appointed manager at Chicago. With the companies since 1947, Mr. Buchanan has served in northern Minnesota and Wisconsin and the upper peninsula region of Michigan. He is succeeded in Duluth by Donald R. Martin, who has recently been northern Minnesota special agent of Aetna Fire group, and who was formerly with Fire Underwriters' Inspection Bureau at Duluth.

General Re Appoints Hudson Claims Attorney

General Re has appointed Harold J. Hudson Jr. casualty claims attorney at its home office.

He had been manager of casualty claims of Commercial Union-Ocean group in Cleveland since 1952. He joined that company in 1950 as claims attorney in Kansas City. Prior to that he was with Martin, Krimmenger, Gough & McFarland, a Kansas City law firm.

Bevers Succeeds Bubolz as Home Mutual Secretary

Albin L. Bevers, a vice-president of Home Mutual and Homestead Mutual of Appleton, Wis., has been appointed to the boards of the two companies. He

will be in charge of secretarial and clerical services and the service program to agents and is vice-president in charge of underwriting. The position was formerly held by the company's founder and secretary, the late Julius C. Bubolz.

Mr. Bevers joined Home Mutual in 1939.

Plan Cover, Accident Control, Grimaldi Says

Control of losses and a plan for insuring against losses are the essential means for reducing work losses in industry, John V. Grimaldi, assistant manager of the accident prevention department of Assn. of Casualty & Surety Companies, told the Albany chapter of National Assn. of Cost Accountants.

He said that in 1954 such losses equalled approximately 20% of the total profit earned by American manufacturing firms that year. He pointed out that in insurance, the principal cost factor is the expense of accidental losses and its reduction is dependent on sound loss prevention activity. He said a sound accident control program can result in insurance economy.

Nationwide Realigns Claims Staff at Home Office

Nationwide Mutual named two home office executives to newly created positions under a realignment of operations in the claims staff.

Attorney Fred C. Parcher becomes director of claims planning and evaluations and B. G. Gottemoeller becomes director of claims policies. Prior to the reorganization Mr. Parcher had been claims counsel and Mr. Gottemoeller had been superintendent of miscellaneous lines claims.

Olympic Opens Utah Office

Olympic and Marathon of Los Angeles have opened a service office at Salt Lake City.

Special Agent John Maynard has been named to supervise the office. He joined Olympic in 1949 as a staff adjuster at Boise, was named a special agent in Idaho in 1951 and special agent in Utah in 1955.

Fire Association Elects Executives, Increases Capital

Fire Association of Philadelphia has elected Louis F. Buck, Robert S. McKain, Harry J. Noyes and Matthew S. Rieder assistant secretaries of the group. The company also increased capital stock from \$8 million, representing 800,000 shares, to \$12 million representing 1.2 million shares, and declared a 12% stock dividend payable May 14 to stockholders of record April 27.

Mr. Buck joined the group in 1930 at New York and became assistant manager there. Previously he was with Niagara Fire.

Mr. McKain went to the group more than 25 years ago. He served in various field capacities in Pennsylvania, Maryland and District of Columbia before being named fire superintendent at the home office in 1953.

Mr. Noyes joined the group in 1947 and was marine special agent in Ohio and marine superintendent in the Philadelphia metropolitan office before transferring to the home office marine staff.

Mr. Rieder went to the group in 1952 and became head of the general liability and compensation departments.

R. I. Measures Bolster Unemployment Laws

Gov. Roberts of Rhode Island has signed several bills affecting administration of the state's cash sickness benefits laws.

The measures provide \$10 penalties for each refusal by an employee to pay cash sickness contributions. They also limit to one year the period in which contributors may claim refunds for overpayments to the cash sickness program.

Open Wash. Adjusting Firm

Arthur Warnell and Jack McDonald have opened the Warnell & McDonald adjusting firm at Bellingham, Wash.

Mr. McDonald was formerly with W. J. Perry, Bellingham adjusters, General Adjustment Bureau and United Pacific.

Mr. Warnell was with GAB at Seattle and Bellingham for 16 years.



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Program Completed for NFPA Annual

National Fire Protection Assn. will hold its 60th annual meeting June 4-8 at Hotel Statler, Boston. More than 1,500 are expected to attend.

Three separate sections will be held June 4. C. S. Mullen Jr., Virginia state fire marshal and chairman of the fire marshals' section, will report. Charles F. Morgan, assistant general manager of NFPA, will report as executive secretary of the section. Other speakers in the fire marshals' section will be Raymond M. Hill, fire prevention engineer of Los Angeles fire department, on chemical hazards; Lawrence L. Priar, sergeant of the bureau of fire protection of Pennsylvania state police, on fraud fires; Chief R. C. Malmquist and Deputy Chief Robert T. Palmer of the Minneapolis fire department, on fire prevention; Carroll Shaw of the Connecticut state fire marshal's office, on fire laws; J. W. Ensick, manager of Fire Underwriters Investigation & Loss Information Bureau of Canada, on arson investigation, and Charles R. Scott, Ohio state fire marshal, on underground tank and pipe leakage.

Speakers at the aviation seminar section will be A. R. Ogston of Esso Export Corp., on fire safety with fuels for turbine engines; Dr. R. A. McFarland of Harvard university, on human factors in aircraft safety; O. E. Kirchner of Boeing Airplane Co., on fire safety in jet transport design and operation; I. Irving Pinkel of the National Advisory Committee for Aeronautics, on crash fire research with jets; A. Howard Hasbrook of Cornell uni-

versity, on crash injury prevention in aircraft fire accidents; George A. Brellie of Ansul Chemical Co., on foam compatible dry chemical tests; and Jerome Lederer on aviation and airport fire protection.

The electrical section will hear reports from Merwin M. Brandon, vice-president of Underwriters' Laboratories, chairman, and Charles L. Smith, electrical field service engineer of NFPA, secretary.

An NFPA administrative symposium and work meeting will open the first general session on June 5. N. C. Strother-Smith of Fire Protection Assn. of London, England, will speak on current developments in fire protection in Great Britain. The afternoon session will feature the following committee reports: Air conditioning, general storage, fire research, fire pumps and forest fire protection.

Elmer F. Reske, manager of Cook County (Ill.) Inspection Bureau, president, will report to the Society of Fire Protection Engineers at an evening meeting. Chester I. Babcock Jr., manager of NFPA's fire record department, will speak on engineering lessons from last year's big fires.

The third general session on June 6 will hear reports on flammable liquids and on gases. At the fourth general session that afternoon speakers will be Stanley F. Spence of American Cyanamid Co., on flammable liquids and Ralph Winslow, vice-president of Koppers Co., on public relations aspects of industrial fires. A panel discussion on reactive chemicals in industrial operations will feature Allen L. Cobb of Eastman-Kodak Co., M. M. Braidech of National Board, W. H. Doyle of Factory Insurance Associa-

Chicago Fire Examiners Elect Horn



Edwin I. Horn of Aetna Fire has been elected president of Assn. of Fire Insurance Examiners of Chicago to succeed Robert F. Jann of Great American.

Other new officers are Herbert E. Mase of Fireman's Fund, vice-president; Charles P. Pechek of National Fire, secretary, and Leonard Brooks of Planet, treasurer.

The traditional and somewhat theoretical election rivalry between the blue and red tickets was handled by Duke A. Clarin of Commercial Union, blue campaign manager, and Robert J. Petrick of Atlas, red campaign manager. Mr. Clarin pointed out that the blue ticket represents experience and presented his nominations with a short background sketch on Messrs. Pechek and Brooks, the two nominees who had not held offices previously. Mr. Petrick loquaciously and humorously traced the red ticket's "internecine" history and platform and pointed out that he was one of the few red ticket candidates to be elected some 25 years

ago. He then bowed to tradition, presented no red ticket slate and moved for unanimous acceptance of the blue ticket. The members unanimously approved the motion.

The association will hold its annual golf outing at Itasca country club, June 7. It will adjourn for the summer and hold its next meeting in September.

There were 45 new members accepted during the past year to bring total membership to 145, according to the secretary's report by Mr. Mase. Mr. Clarin, director, presented a desk set to Mr. Jann on behalf of the association.

Ray Krause of Illinois Inspection Bureau concluded the meeting with the presentation of the U.S. Chamber of Commerce film, "People, Products and Progress 1975." The film depicted anticipated standards of living and technological improvements as projected ahead by major industries and suppliers to the year 1975.

tion and Raymond H. Hill of the Los Angeles fire department.

The anniversary banquet will be held in the evening.

Four talks will highlight the fifth general session June 7. Speakers will be Chief William Fitzgerald of Seattle fire department and president of International Assn. of Fire Chiefs, on current problems of fire service; Francis X. Cotter, commissioner of the Boston fire department, on a progress report of Boston's fire prevention experience; Chief Keith Klinger of Los Angeles county fire department, on fire prevention as a means for good public relations; and Frank McNamee, commissioner of Philadelphia bureau of fire, on Philadelphia's fire prevention program.

The following committee reports will be heard at the sixth general session in the afternoon. Fire bridges and watchmen, first aid fire extinguishers, carbon dioxide fire extinguishing sys-

tems, chemicals and explosives, dry chemical extinguishers, signaling systems and thermostats, dust explosion hazards and combustible metals.

Fire protection movies will be shown in the evening.

Four speakers will address the final general session on June 8. They are: Roger Muir of NBC-TV, on educating children in fire safety; J. H. Hutchinson of Imperial Chemical Industries, England, on automation; Maurice C. Kirkpatrick of Wasco Products, Inc., on roof vents for fire and smoke, and Frank H. Gage, president of U.S. Fire Protection Engineering Service, on engineered fire protection for special hazards.

Election of officers will follow. The afternoon will be devoted to a tour of Factory Mutual Laboratories, Norwood, Mass. A complete week-long program of entertainment has been arranged for the families of those attending the convention.



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Lack of Interest Puts End to Study of Timber Cover on Coast

Research into the feasibility of offering a market through an association of stock companies for fire insurance on standing timber in Pacific coast states has been discontinued for this year at least. The committee which has conducted this inquiry and study has found insufficient interest on the part of insurance companies to participate at this time.

The committee, which has been conducting this study since last November, is comprised of: Chairman, Ward Jackson, Crum & Forster; Malcolm Cravens, Cravens, Dargan, San Francisco; Nicholas Dekker, America Fore group; William B. Miller, American, and Fred H. Morasch, Fireman's Fund group. Leland S. Gregory is secretary of the committee. The group indicated that study can be resumed if and when sufficient interest develops.

IM Claims Men Hear Discussion of Gems

Robert Crowningshield, president of Gemological Institute of America, spoke at the April meeting of Inland Marine Claims Assn. of New York. The institute is frequently used by insurers in connection with important jewelry loss problems.

Mr. Crowningshield observed that the "perfect blue-white gem," which constitutes at least 99% of all the diamonds involved in jewelry losses, is like the rare bird never found in captivity. It does not seem to exist except after it is lost.

Grand Rapids C&S Assn. Meets

The public should be adequately instructed in how to protect themselves from delay in settlement of insurance losses, according to Clifford A. Mitts, a Grand Rapids, Mich., attorney who addressed the April meeting of Grand Rapids Casualty & Surety Assn.

Mr. Mitts emphasized the importance of keeping accurate and up-to-date records and inventory lists in fire-safe places. "Delays in insurance payments after a loss," he said, "are due chiefly to the absence of records, necessary to substantiate the amounts involved."

Passaic Agents' Golf Outing

Passaic County (N.J.) Assn. of Insurance Agents will hold its annual golf outing and dinner June 7 at North Jersey country club, Preakness.

Amer. Glass Expands Its Service Facilities

American Glass Co. of Chicago, one of the leading insurance plate glass replacement firms in the country has augmented its service to insurance companies, agents and brokers through the installation of modern mobile radio equipment in its fleet of trucks and passenger cars which now places any break or replacement problem within minutes of their estimating, surveying or replacement crews. This inter-radio system between trucks, cars and the main office at 1030 N. North Branch street provides a method of fast communication.

The other addition is American's "Fix It" department. The surveyors and estimators in this department are now in a position to estimate damage to store fronts and arrange for speedy repair, thereby preventing additional loss which often follows plate glass breakage.

Pa. Underwriters Hear Talk on Mercantile

Reed Mulliken, general superintendent of Middle Department Assn. of Fire Underwriters, discussed the mercantile block policy at a luncheon meeting of Underwriters Club of Philadelphia. He outlined the pitfalls of the application and rating form and went over the causes of most of the violations that have been issued to date by his rating bureau.

Royal Exchange Underwriters Names Grossmayer in Three States

Phil Grossmayer Co. of Portland has been named general agents for the Royal Exchange Underwriters of the Royal Exchange in Washington, Oregon and Idaho.

Four IMIB Filings Applicable

Four filings by Inland Marine Insurance Bureau now are applicable in all jurisdictions in which they have been filed and in which the bureau is licensed. The filings are camera and musical instrument dealers, dealers insurance, bridges, vehicular and rail tunnels and equipment dealers insurance.

Pa. Society Opposes Free Cover

Directors of Insurance Society of Philadelphia adopted a resolution opposing the principle of free insurance offered by automobile manufacturers in connection with the sale of new cars.

N.Y. to Hold Hearing on Compulsory May 1

New York insurance department will hold a meeting to discuss the provisions of the new compulsory automobile insurance law May 1 at the department hearing room, 61 Broadway, New York. All authorized automobile insurers in the state have been invited to attend.

GAB Promotes Clark, Stevens in California

General Adjustment Bureau has promoted Stanley H. Clark from branch manager at Salinas, Cal., to branch manager at San Jose, Cal., succeeding T. C. Rouse, who resigned. Norman V. Stevens succeeds Mr. Clark as manager at Salinas with supervision of the Watsonville resident office.

Several Pacific department branches have been moved to new locations. The Roswell, N.M., branch is at 212 West 4th street; the Sterling, Colo., branch is at 119 Main street, and the Salinas, Cal., branch is at 317 Capitol street.

Forty branch managers from northern California, Washington, Oregon and Nevada attended a meeting at San Francisco. Roy G. Bachman, assistant to the president, addressed the group.

Cleveland Mariners Meet

Charles E. Ewald, executive director of World Trade Assn., discussed foreign trade at the April meeting of Cleveland Mariners Club.

GAB Promotes Two in N. C.

General Adjustment Bureau has promoted G. S. Davis Jr. from adjuster-in-charge to branch manager at Rockingham, N. C., and James M. Stanley from adjuster-in-charge to branch manager at Salisbury, N. C. Both offices were formerly under the supervision of the Charlotte office. They now will operate independently.

Welfare-Fund Control Bill Signed in N.Y. for Joint Plans Only

Gov. Harriman of New York has signed the Republican-sponsored bill requiring union welfare funds administered jointly by employers and unions to be registered with the insurance and banking departments and regular reports to be made on them.

Under the new law, effective Sept. 1, the superintendents of the two departments may examine a fund as often as they wish but must do so at least once every five years. The state may publicize commissions and fees paid to insurers and compensation paid to trustees if it is in the public interest. Trustees must report annually before March 1 the condition of their funds at the previous year's end, including any information required by the departments.

The law prohibits trustees, union officials and employers from taking kickbacks from insurance companies, bars trustees from receiving personal benefits from welfare funds except reasonable compensation for their services, prohibits political contributions from welfare funds, and subjects trustees to fines of up to \$2,500 and removal from office for willful failure to comply with the restrictions.

However, the governor criticized the legislature for not including in the bill provisions to control funds administered exclusively by employers. A Democratic bill, which died in committee, included the employer-administered funds and provided for an advisory council, with representatives of labor, employers, the public and the insurance industry, to assist state agencies in carrying out the regulations.

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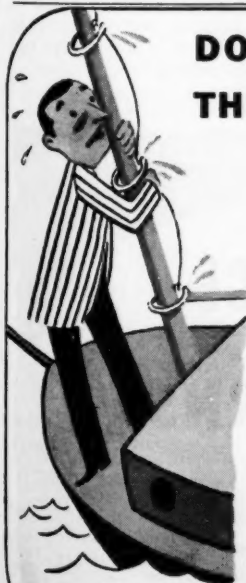
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NAIC Commissioners Nominate Taft

(CONTINUED FROM PAGE 3)

has not yet received its certificate of authority for an additional year need not be unnecessarily perturbed since it may never have been looked at as yet by the actuarial department."

As a result of the recent legislation and stricter enforcement and regulation by the board, Mr. Saunders said, it is contemplated smaller companies will merge, consolidate or reinsure or otherwise strengthen their position so they can become more competitive with the older and firmer established companies. "It is believed that any Texas company, therefore, operating either in or outside the state of Texas presently deserves the consideration of the commissioner, staff, or public of that particular state in which it is doing business," he said.

Porter Ellis of Dallas, president of the Texas Assn. of Insurance Agents, explained the graduated rate plan for fire and EC on dwellings.

Texas is the first state in the nation to adopt this system for this type of insurance and the agents' association encouraged the board of commissioners to adopt it. "There have been cries that this is a new plan of rating—that it is revolutionary and will destroy the fire insurance and extended coverage field for dwellings," Mr. Ellis said. "Those who make such cries do not take into consideration that the very same theory of graduated rating has been made applicable to marine insurance in practically every phase of its operation and is a widely recognized theory of rating in various types of casualty insurance."

Mr. Ellis said studies and analyses

have "proved conclusively that as the amount of liability on a given dwelling is increased, the probability of lower loss ratio is very evident."

The plan, in its present tentative form, calls for a rate on the first \$5,000 of insurance, a lower rate for the second \$5,000, and a still lower rate for any amount in excess of \$10,000. Further statistics are now being gathered by the Texas board on which to base the rates, he said.

Vestal Lemmon, general manager of National Assn. of Independent Insurers, discussed the passage of the New York compulsory law and its effects on automobile coverage. His speech was reported last week.

Milton W. Mays, secretary of America Fore group, said the insurance industry was making a continuing study of floods to determine whether some kind of plan should or should not be adopted for indemnification against flood losses. He said engineers employed by the insurance industry had made comprehensive studies of every major flood since 1951, including those last fall in the northeastern states and on the Pacific coast to uncover any new facts "that might warrant a modification of the traditional position of the insurance business that the writing of insurance on fixed property against the perils of flood is not a feasible undertaking."

Pansing of Nebraska said the rules proposed by the NAIC governing A&S advertising are essentially the same as those proposed by the FTC. "I hope the FTC will adopt these rules at a scheduled hearing on April 30 and va-

cate citations currently pending against the 41 companies already cited by the FTC," he said. "What has already been done to alleviate the situation is strictly temporary, and the long term solution to the problem of some insurance advertising, not in the public interest, is the adoption of appropriate legislation by the several states."

Current problems and issues facing insurance company management were discussed by Benjamin N. Woodson of Houston, president of American General Life.

On state supervision and the possibility of federal control, Mr. Woodson said: "I believe in state supervision on its merits . . . because I believe in the more local and more personal supervision which the state can give, and most of all because I believe we have too much centralization of government already, and that what we don't need most is more of the same. There is basis for concern lest state supervision weaken its case at a time when Congress needs only to crook its finger to bring centralized supervision into being."

A second major worry of insurance management, he said, was the constant increase in the amount of group term life insurance which can be written on one life in America. He said he was not disturbed about the fact that \$100 billion of group term is now in force out of a total of \$400 billion or the fact that group in force is now 10 times greater than 20 years ago. "But one of the most frightening developments in our business is the extraordinary growth in the amount of group insurance which can be placed upon a single life." He said this condition was bad for the public, bad for the companies and bad for the American agency system. "I believe that a little group is good, but a lot isn't necessarily better."

"The opponents of the equity annuity," he said, "say that we shall be trading on the good name of life insurance to sell something which is not guaranteed; that the inevitable decline in market values will bring disillusionment and ill will; that the variable annuity is laden with opportunities for misrepresentation at worst and misunderstanding at best, and that we may find ourselves holding unwanted economic power which will bring with it new complications and difficulties."

"The proponents argue that the public wants it, needs it, and will have it . . . and it will be better for our business to offer it than others."

H. C. Pittman of Austin said the tremendous increase in the number of industrial accidents in Texas in recent

years may necessitate an expansion of the functions and services of the Texas Industrial Accident Board of which he is chairman. He said industrial accidents in Texas had increased five-fold in the last 20 years, and last year totaled a quarter of a million and produced more than 600 fatalities.

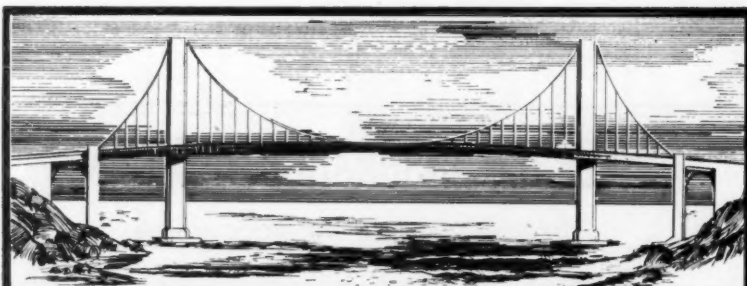
"High horsepower cars are in for more accidents, or in accidents of greater severity, than low power cars," according to Fletcher N. Platt, manager of traffic safety and highway improvement for Ford Motor Co. "In fact, many traffic safety experts agree with our contention, although proof is not available, that improved acceleration resulting from higher power is a safety factor."

He said improved acceleration has brought an important dividend in improved vehicle operation and maneuverability in the normal operating speed range from 20 to 60 miles per hour. "It reduces the time the driver must be on the wrong side of a two-lane road when passing another vehicle and makes it easier to merge with moving traffic when an automobile must be accelerated quickly to the average speed of the flow of traffic. Of course, performance can be misused. A smart aleck at the steering wheel can turn a powerful car into a lethal weapon. But he can drive nearly as fast and be just as deadly in the earlier, lower-horsepower models. It just takes him a little longer to get up speed," Mr. Platt said.

The Texas banking fraternity is contemplating following the lead of the insurance industry in an effort to "clean house," according to P. B. Garrett, president of Texas Bank & Trust Co., Dallas.

"We of the banking fraternity, and other strong financial institutions in this state, can stand some criticism for not initiating some badly needed legislation to correct abuses by promotional organizations that openly practice fraud in the guise of legitimate financial institutions," he said. "I am happy to say that the Texas Bankers Assn., through carefully selected committees, is making a study of the laws governing the organization and practice of companies that falsely purport to do a banking and quasi-banking business. We believe strongly that the members of our legislative bodies will respond enthusiastically to any legitimate plea to clean house when necessary."

Mr. Garrett urged careful action, however, to guard against an excess of statutory limitations that will tend to stifle the free flow of a progressive and enterprising economy.



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Kemper Group Names Bishop and Heffley Assistant Secretaries

C. R. Bishop and Earle F. Heffley have been elected assistant secretaries of Lumbermens Mutual Casualty and American Motorists from their position of assistant advertising managers of the Kemper group.

Mr. Bishop began his career with Kemper in the public relations department in 1946, and was named assistant advertising manager in 1954. Before 1946, he was assistant advertising manager for Public Service Co. of Northern Illinois and an account executive for Needham, Louis and Brorby.

Mr. Heffley joined the Kemper group in 1946 after holding the post of assistant advertising manager for Bell and Howell. He was promoted to assistant advertising manager for Kemper companies in 1954.

United Pacific Raises Miller at Los Angeles

Robert A. Miller has been promoted to underwriting manager of automobile and casualty lines at United Pacific's Los Angeles Wilshire branch office. Edward R. Selberg is branch manager.

Mr. Miller joined United Pacific's underwriting staff at Los Angeles in 1948, after being with Goodyear Tire and Rubber Co. there. He is a member of the Insurance Underwriters Assn. of Los Angeles.

To Review Tenants' Form

A panel discussed the new tenants' form in the homeowners' B policy at an educational forum sponsored by Greater New York Insurance Brokers' Assn. at New York.

Panelists were Donald Smith of

Travelers and Edwin Ryder of St. Paul F.&M. The new tenants' program was approved in some 30 states last month. Approval in New York is expected shortly.

Peerless Opens Office at Dallas, Albright in Charge

Peerless has opened a new office at Dallas and has appointed J. Hartwell Albright resident vice-president. W. Rowe Verschoile, who has been assistant vice-president and agency director of ICT of Dallas, will be executive assistant to Mr. Albright.

This will be the 10th state in which Peerless will have a branch office. In Texas the company was formerly represented by J. R. Scruggs general agency.

Standard Accident Has Home Office, Field Changes

Standard Accident and Planet have made the following home office and field changes:

Robert H. Gott, manager at Cleveland, has been transferred to the home office as coordinator, sales development. This is a new position for coordinating the sales activities of the field offices. Edward G. Martin, who has been in the home office education department, succeeds Mr. Gott as manager at Cleveland. Serafino Ciambella, field representative at Pittsburgh, has been transferred to the home office agency and field coordination department.

Mr. Gott joined the companies in 1949, served as field representative at Detroit, and in 1951 was made production manager there. He went to Cleveland as manager in 1954. Prior to joining Standard Accident, Mr. Gott was vice-president and general manager of a Detroit agency.

Mr. Martin joined Standard Accident at the home office in 1938 and served in the safety engineering and underwriting departments prior to transferring to Atlanta in 1941. After service in World War II, he returned to the home office casualty underwriting department and later was assigned to the agency department. In 1949 he was transferred to Buffalo as a field representative and was made production manager the following year. He returned to the home office education department in 1955 where he served until his present appointment.

Mr. Ciambella was made field representative at Cleveland in 1950 after previous service at Detroit. He transferred to Pittsburgh in 1951 as field representative and served in that capacity until his present appointment.

Asks Six Division Chiefs for Wis. Department

MADISON—Commissioner Rogan of Wisconsin has asked the state board of personnel to create six new divisions in the insurance department as part of its reorganization program. Division chiefs would be named for the rating, state fund, fire marshal, examination, services and multiple line divisions.

Thomas Security-Conn. Claims Head in Ohio

Security-Connecticut has named Alfred S. Thomas claims manager at Cleveland. He had been claims manager of Home's Cleveland office since 1946. In his new position he will handle claims of fire, marine, bond and casualty business in northern Ohio.

Textile Declares Stock Dividend

Textile of North Carolina has declared a 40% stock dividend and has elected F. A. Smothers, safety engineer, to the new office of assistant vice-president.

Hanson President, Others Named by Am. Hardware Mutual

MINNEAPOLIS—J. E. Hanson, executive vice-president of American Hardware Mutual since 1944, has been elected president succeeding Harold R. Caley who was named chairman. Mr. Hanson also was made president of American Hardware Indemnity, a subsidiary.

Virgil C. Hall, manager of the A&S department; Arthur A. Henseler, fire underwriting manager, and Laurence E. Strom, casualty underwriting manager, were all elected vice-presidents. Warren W. Zetzman, accounting manager, was named treasurer.

Casualty Association's Annual May 8 in N. Y.

Assn. of Casualty & Surety Companies will hold its annual meeting May 8 at Waldorf-Astoria hotel, New York City. Officers and executive committeemen will be elected and annual reports will be submitted by J. Dewey Dorsett, general manager, and Ray Murphy, general counsel.

Ralph H. Platts of Standard Accident, retiring president, will speak. A reception and luncheon, which follow, will be held jointly with National Bureau of Casualty Underwriters.

DIA Promotes Two

Detroit Insurance Agency has named Ned Macaddino as controller. For two years Mr. Macaddino has been manager of the accounting department. Prior to joining DIA, he was a senior accountant with Lybrand, Ross Brothers & Montgomery for seven years.

George Bradley has been named manager of the accounting department

to succeed Mr. Macaddino. Mr. Bradley has been assistant manager of the accounting department for two years and was also formerly with Lybrand, Ross Brothers & Montgomery in Detroit.

Atlantic City Agents Hear Panel on U&O

Insurers should indoctrinate agents more fully with details of business interruption insurance, John F. Ryan of General Adjustment Bureau at New York told Atlantic City Assn. of Insurance Agents at its April meeting.

He pointed out that many local agents are not taking advantage of placing business interruption because they are unfamiliar with its details and that many business men would still be in business if they had been told about the cover.

Mr. Ryan was a member of a panel on U&O. Other panelists were Hugh Hunter, manager of the U&O department of America Fore group at the home office; L. E. Kietzman of American of Newark; and Walter Feimster, Philadelphia adjuster.

Earle J. Smith Joins Continental Casualty

Continental Casualty has appointed Earle J. Smith manager of the fire and marine division at Denver. Mr. Smith was formerly state agent in Missouri for North British and prior to that was in the Colorado field with another insurer.

American Title has elected as new directors H. A. Landfield, Miami financier; Hal S. Pelton, president of Miami Pepsi Cola Co.; Robert Pentland Jr., senior accountant of Pentland, Purvis, Keller & Co., accountants, and Virgil Shaeffer, president of Ohio Bar Title Ins. Co.

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UL Label Volume Hits Record in 1955

Underwriters Laboratories, the non-profit engineering organization operating under the sponsorship of the Na-

tional Board, closed 15,750 testing projects last year. President Curtis R. Welborn, in his annual report, said the year began with 3,638 projects scheduled for tests, and 15,258 were opened during the year.

In 1955, label volume handled by the

laboratories was 21% greater than in 1954 and 19% above the high mark of 1953. Six new label service classifications were established, and the five products reports have been enlarged to six with the splitting of the electrical equipment list into two sections.

Manufacturer and other overtures, Mr. Welborn noted, forecast the imminence of operating within some phases of the atomic energy field. The laboratories has a staff trainee enrolled in a school of the atomic energy commission for the study of reactor design, and another trainee is to be enrolled in the commission's school for a course in the techniques of using radioisotopes. Plans have been started for a protection department laboratory on the property of Underwriters Laboratories in Northbrook, Ill.

Foreign manufacturers have presented requests for resident laboratory supervision of products intended for export to the United States, Mr. Welborn reported. There are 31 listings already and 10 classifications of products manufactured in 10 foreign countries, and the applications, although small in number, forecast establishment of self-reporting factory inspection service in Europe.

Nine groups of foreign technical and business men were guests at one or more of the testing stations last year to study scope and techniques. The countries represented included Australia, Austria, Brazil, Canada, Chili, Dutch West Indies, England, Formosa, Germany, Iceland, Italy, Japan, Mexico, New Zealand, Norway, Puerto Rico, Sweden, Switzerland, Uruguay and Wales. In addition, the staff was host to 107 groups of local visitors for conducted tours through the four testing stations, and staff members showed films or gave addresses to 229 service clubs, etc. The staff members prepared or helped furnish copy for 16 feature articles for house organs, magazines and the technical press, made 15 appearances on radio and television stations, and assisted several TV station camera crews in the preparation of picture sequences for later broadcasts.

Underwriters Laboratories at the end of 1955 had 807 full time employees.

The report lists a number of special problem tests, including wall mounted refrigerators for use in custom kitchens, combination water cooler and water heater designed to provide hot water at coffee breaks, floor waxes for use in electrically conductive floors in hospital operating rooms and other locations where static electricity has to be avoided, electrically illuminated burial caskets, automatic parking lot gates, and wireless remote controls for television receivers.

Plan Safe-Teen at Grand Rapids

GRAND RAPIDS—Grand Rapids Assn of Insurance Agents is preparing to assist with formation of Safe-Teen clubs in the local high schools and colleges in an effort to improve driving practices and to give recognition to competent drivers.

The association sponsored a discussion session with representatives of some 30 school student councils. William J. Landman will serve as advisory administrator with William Polard for the local chapters.

Adult Driver Course in Mich.

GRAND RAPIDS—An adult driver training course is being launched here, sponsored by Greater Grand Rapids Safety Council and Grand Rapids Assn. of Insurance Agents. Local police also are giving their support.

The G. L. Woods agency of Peru, Ind., has moved to larger quarters in room 8 of the Old Telephone building.

W. H. McGee & Co. Names 7 Officers

Seven new officers have been elected by W. H. McGee & Co.

Kenneth J. Creber, manager of Canadian operations, becomes a director; Frank E. Kane, west coast manager, becomes vice-president; Peter J. Sant becomes assistant vice-president; William W. Koenig, Los Angeles manager, becomes resident vice-president; Michael A. W. Beal becomes marine secretary; Robert M. Bennett becomes hull secretary, and Kenneth J. Roonan becomes agency secretary.

Rev. Morris Starts as Full Time President of Teetotaler Insurer

DES MOINES—The fight for control of Preferred Risk Mutual is continuing unabated with the Rev. Sam Morris of San Antonio, Tex., temperance crusader, announcing he was taking up permanent residence in Des Moines and will be on duty as president of the company every day. Rev. Morris is seeking to gain control of the company from the other officers and has filed a \$1 million damage suit against the other officers.

Rev. Morris lost his first battle in the courts when a federal judge denied him a temporary injunction to restrain the board from handling anything but routine matters.

Rev. Morris then filed a cross complaint to this original damage suit contending in the new petition that Commissioner Bennett has "failed, neglected and refused to take any action" in the controversy. The Iowa department has been making an examination of the company but the report has not been filed.

The other officers of the company adopted a resolution canceling authority of Rev. Morris to employ counsel to represent the company. Jens Grothe, Des Moines attorney, had filed the cross complaint for Rev. Morris and in the resolution adopted by the board and filed as an answer to the cross complaint the other officers contended that Jens Grothe had not been employed by the company to act as its attorney. The officers asked that the cross complaint be dismissed because of the lack of authority of the attorney.

Rev. Morris in his damage suit also asks for \$31,000 in back salary in addition to the \$1 million damages.

Conn. Court Jam Increases

The backlog of civil cases in Connecticut's high trial courts has increased to 16,319 since the session opened in September. At that time there were 15,036 untied cases. However, there are 408 fewer cases now than there were at the start of winter term in January. There were a number of withdrawals during the winter term after the legislature reduced the withdrawal fee from \$25 to \$5.

McMackin to Speak at Columbus

Bernard P. McMackin Jr., assistant editor of the F.C.&S. Bulletins will discuss "Developments in Commercial Block Insurance" at the May 7 meeting of Mutual Insurance Club of Columbus, O.

Mr. McMackin was formerly with Home as an agent, adjuster and education director.

Robert C. Smith, director of industrial relations for Pullman Standard Car Manufacturing Co. and manager of the insurance department for Pullman, Inc., has been elected a director of the Municipal of Chicago.

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Heavy experience, CPCU, presently located in Midwest but can relocate easily. Interested in branch office managership, agency sales, or insurance buyer for large firm. Write Box M-21, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WISCONSIN FIELDMAN WANTED

Expanding mutual company needs Special Agent for established southern Wisconsin territory. Presently writing fire, allied lines, inland marine and planning expansion in casualty lines. Excellent opportunity to grow with a growing company. Address replies to: West Bend Mutual Fire Insurance Company, West Bend, Wisconsin.

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Syracuse public relations firm seeks personable man to write magazine articles on fire ins. Must have solid experience in both writing and ins. Start \$500 month, fast promotions, future executive. Write fully Suite 109, Skyline Bldg., Syracuse 3, N. Y.

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WANTED—BY LARGE LOCAL AGENCY — EXPERIENCE REQUIRED — SALARY COMMENSURATE WITH EXPERIENCE. Box M-25, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Fire Deductibles Make Steady Progress

(CONTINUED FROM PAGE 13)

would receive is the practice of "re-insuring the peaks." A corporation or individual with items of property ranging in value from small amounts to millions of dollars would certainly be flaunting the law of average to subject his reserves or his financial resources to the risk of loss to the highest values, Mr. Wrenn warned. There are very few organizations in the entire country which could withstand the entire loss of one of their highest valued units. Underwriters writing the full insurance would probably reinsure such peak items down to acceptable amounts at risk based on all their writings of the same classification. This then is the part that deductible insurance can take in supporting a property owner's desire to participate in his own insurance. It gives him the opportunity to establish the amount which he can withstand, basing such amount on his premium savings, his financial position, the average values and spread of the insured property.

Mr. Wrenn said he was not trying to promote self insurance. He is as anxious as any other insurance man to promote the greater use of insurance facilities and services. But it is to the interest of the insurance business and that of the buyer to buy the kind of insurance which covers the latter's requirements. Probably large and substantial properties owners in most cases would be poorly advised to buy insurance for the purpose of collecting every \$1.25 loss they may incur, or to self insure properties of such high values as to result in an unsound and unbalanced distribution of the risk to them.

The success of the Chubb plan in bringing back into the insurance market many large firms which previously self insured is convincing evidence that the idea is widely accepted, he said. The experience of Standard Oil of Indiana is a fresh example of the support which can be obtained from a well organized insurance program involving a deductible.

One variation in the application of the Chubb plan is produced by policyholders with property sufficiently spread to enable them to retain the risk of deductible by fire to each property individually, who fear the possible accumulation of windstorm losses bringing destruction to many locations. Here the fire deductible is applied to each location, but the extended coverage deductible is applied only to the loss resulting from a single occurrence even though many locations were involved.

The deductible plan is also effective when applied to business interruption indemnity, both valued and non-valued, or in connection with Chubb's depreciation form for building structures, machinery, furniture and fixtures, or to any form of time element coverage, leasehold interest, liability imposed by law, or the newly filed all risk coverage on office furniture and fixtures.

About the time Chubb & Son brought out its deductible plan based

on fixed credits from published tariff rates, another deductible termed excess of loss or catastrophe insurance was initiated. This involves insurance where the deductible amount is at least \$100,000. Some years ago an insurance department took the position, and this position since has been widely accepted, that where the deductible is at least \$100,000 the insuring contract is no longer insurance but is assumed to be reinsurance of a self insurance fund and as such is not subject to customary rate and form regulation.

Excess of loss is permitted in 36 states, he observed. Some regulation has developed although it is limited to filing a statement or copy of the policy with the insurance department in the state where the property is located, and such contracts are subject to the requirements that the premiums be adequate, not excessive nor unfairly discriminatory.

In general, it is a tailor-made contract—does not contain coinsurance or many other rating bureau conditions.

The deductible may be, as high as \$1 million or \$2 million as in the case of some of the larger oil refinery companies.

The contract limit of liability may or may not equal the entire value at risk—in fact many of them are written for a much smaller amount—usually enough to cover the greatest anticipated single loss.

The premium is entirely a matter of underwriting judgment, and is not necessarily based on any full insurance or rating bureau rates. This position is justified on the premise that where insured is willing to retain the risk of \$100,000 or more, there is no credibility to any existing statistics and nothing but underwriting judgment applied to each risk could more accurately produce a proper premium. Another element in establishing the premium for this type of contract is the acquisition cost. It is the general practice—due to the size of premiums usually involved—to limit commissions to a rather low cost and to take this into consideration when establishing the premium.

Deductible insurance is not new in principle, he pointed out. Small deductibles applying to windstorm, automobile collision, personal property floaters, etc., are common. Larger deductibles are not as common but have been used for generations in special cases. Deductibles provide a balance between an illogical program of self insuring all losses regardless of amount and the expensive program of trying to fully insure for losses which are comparatively inconsequential.

N. Y. Foreign Insurance Students Hear Manton

Nationalization of insurance in foreign countries tends to divide and isolate nations, E. A. G. Manton, president of American International Underwriters, told International Students Assn. of Insurance Society of New York.

Mr. Manton lauded the association as an example of social and business cooperation between people of widely

different backgrounds. During the 1955-56 school year, a total of 24 foreign students, representing 12 countries, have been enrolled in the society's school.

Frank McCaffrey Addresses Detroit Insurance Buyers

M. Frank McCaffrey of Byrnes-McCaffrey agency addressed the April meeting of Insurance Buyers Assn. of Detroit on third party liability coverages. Mr. McCaffrey treated in particular the comprehensive general public liability policy, and said the reason for certain exclusions in it are that underwriters are trying to be careful of unknown hazards.

During the question and answer period, there was a good deal of discussion on hold harmless agreements, with the buyers in general advocating a return to more realistic provisions in such agreements.

Springfield F.&M. Group Raises Kerr and Plehn

Springfield F.&M. group has appointed C. Dale Plehn casualty claims superintendent, and Lyle L. Kerr staff adjuster in the Los Angeles branch office.

Mr. Plehn entered casualty claims work in 1948 in Los Angeles and has acquired considerable company experience.

Mr. Kerr's insurance background includes service both as a producer and an adjuster. He will supervise fire and inland marine losses.

Iowa Mutual Agents Elect Hawley President

L. J. Hawley of Laurens, Ia., was elected president of Iowa Assn. of Mutual Insurance Agents at the annual convention in Des Moines. He succeeds F. R. Meyer of Applington.

The association also elected William Rutenbeck of DeWitt as vice-president and Vernon S. Peters of Lansing as secretary-treasurer.

deVenoge Goes With Watters & Donovan

Vincent P. deVenoge has joined Watters & Donovan, New York and Washington, D. C., insurance law firm, in general practice. He has been with the U. S. internal revenue service.

Lynch Buys Ill. Adjustment

Illinois Adjustment Service of Jacksonville has been purchased by R. L. Lynch & Co. of Springfield. Jack W. See is manager of the Jacksonville office of Lynch & Co., and Ross Crowcroft, who has been with Illinois Adjustment, will remain on the staff in Jacksonville.

Los Angeles I-Day Attracts Large Attendance

LOS ANGELES—Greater Los Angeles Insurance Day retained its reputation as a top attention-getter, with the sixth edition of the annual event here attracting a sizable attendance.

Talks by Maurice G. Herndon, Washington representative of National Assn. of Insurance Agents, and Ferdinand R. Hall, Pacific department manager of Security-Connecticut, were bolstered with a panel discussion on commercial block policies. Participants, all from San Francisco, included Gerald V. Ball, assistant manager of the Pacific Board; Ward D. Frampton, assistant secretary of Great American; Fay H. Hawkins, assistant general manager of Pacific Fire Rating Bureau, and Ellsworth E. Simpson, assistant secretary of St. Paul F. & M.

Mr. Herndon reviewed in detail Congressional hearings on the possibility of providing federal flood insurance. He said one bill now receiving Senate consideration would require establishment of actuarially sound premium rates, while another would allow a federal insurance commissioner to establish rates, the overriding consideration being the amount of money people can and will pay, although rates would vary by location and type of risk.

Mr. Herndon emphasized that both bills contain the provision that maximum use will be made of the "facilities and services of private insurance companies and established insurance agents and brokers." He added that "after months and years of study, discussion and talk, the question of whether there should or should not be flood insurance remains unanswered."

Mr. Hall described dishonesty coverages as offering an uncommonly large market for producers. Crimes are increasing in number, the speaker said, and the fact that they generate considerable publicity should enable the agent to capitalize on them and sell more dishonesty coverages. The producer's task also has been eased by the development of comprehensive burglary, theft and bond coverages to meet the varied needs of prospects.

Pays \$68,000 on Air Crash

Mutual Benefit H. & A. paid a total of \$68,750 in death benefits to the families of three victims of the Easter Sunday tragedy in which 22 people were killed and 14 injured in the airline crash at Pittsburgh, Pa.

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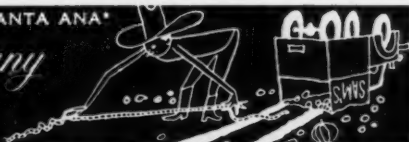
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Aetna Casualty to Promote Specker

Richard Specker is succeeding Howard D. Wright as manager of the agency and brokerage department of Aetna Casualty's New York office.

David A. Webster Jr. has been promoted to assistant manager and Darrell M. Scattergood, agency supervisor

in charge of office agents, will also supervise production in Westchester, Rockland and Putnam counties.

Mr. Wright, who is retiring, has been with the company for more than 35 years. Mr. Specker has been assistant manager of the department.

Mariners Club installed new officers at a founders' day meeting in New York City.

Keenan Named F.I.A. Eastern Unit Head

John H. Keenan, assistant manager of the eastern regional office of Factory Insurance Association has been named manager to succeed the late Walter P. Fay. Robert M. Taft, who has been assistant to the management, has been put in charge of the underwriting department.

Mr. Keenan joined F.I.A. as a field inspector in 1934 and went to Hartford as a supervisor in the inspection department in 1937. He went to Pittsburgh as special agent in 1941 and returned to the home office in 1943 when he was named assistant superintendent of the inspection department. In 1951 he became executive assistant with responsibility for business in New York and New Jersey. He became assistant manager in charge of underwriting a year ago.

Mr. Taft joined F.I.A. as a field inspector in 1938 and after military service became a supervisor at Hartford. In 1949 he went to Atlanta as special agent and became field manager there in 1952. He transferred to Hartford in 1955 as assistant to the management.

waukee. Later he was with Pacific Employers, and after two years as a local agent he went with Meritplan as a field man.

Mr. Parent started in insurance with Travelers, and was with Ohio Casualty and California Compensation before joining Meritplan three years ago.

Allstate Gives Scholarships Honoring Its Chairman

Allstate has established a graduate scholarship program in honor of James M. Barker, chairman. Four full scholarships, two each in science and business administration, will be awarded by Allstate Foundation annually to college graduates for two years of advanced study at Northwestern university, of which Mr. Barker is a trustee. The foundation is also providing scholarships for from 10 to 15 high school graduates annually through Chicago Boys Clubs in honor of Gen. Robert E. Wood, founder of Allstate. Each of the Barker scholarships will have a value of \$2,000 a year.

Young Men's Trade Board Names Brown

Young Men's Board of Trade of New York has elected William J. Brown of American Surety president. Other insurance men, all brokers, elected were: Thomas J. Sweeney of H. Mosenthal & Son, chairman; Robert L. Sanford of Smythe, Sanford & Gerard, assistant secretary; Robert F. Wernersbach of D. Sterling & Sons, treasurer, and T. J. Anderson Jr. of Lethbridge, Owens & Phillips and George C. Bruce of C. J. Reid & Co., directors.

Fire Hearing in Texas

The Texas department will hold a hearing May 10 at Austin to consider special coverage endorsement for other than dwelling risks, special earthquake assumption endorsement for dwellings and other matters relating to fire, wind and EC.

Haley Named Ind. State Agent

William J. E. Haley has been appointed state agent for Indiana by Home Mutual of Wisconsin. Mr. Haley has had more than 15 years experience with United Life, Meridian Mutual, Celina Mutual and National Mutual.

Reverse S. C. Decision on Naming Amount of Insured's Coverage in Complaint

South Carolina supreme court, in a reversal of an earlier divided opinion, has ruled that a party bringing an action against a common carrier truck is not entitled in his complaint to state the full amount of liability insurance carried by the defendant. The earlier ruling was reported in the April 5 issue of THE NATIONAL UNDERWRITER.

In the action, Mrs. Alice W. Dobson was involved in an accident with a truck owned by J. Grady Randolph, who was required by the public service commission to be insured for \$5,000 liability to any one person and \$1,000 property damage liability. He carried \$50,000 BI to one party in American Indemnity and Mrs. Dobson in the complaint contended she was entitled to state the full amount of liability insurance carried by Mr. Randolph.

Mr. Randolph and American Indemnity moved to have the amount of insurance stricken from the complaint and the lower court held that since Mr. Randolph was required to carry insurance the complaint could only name the amount required—\$5,000 BI and \$1,000 PDL.

Rufus M. Ward of Spartanburg, S. C., attorney for American Indemnity, petitioned for the rehearing and obtained a reversal of the original opinion and the subsequent ruling in favor of American Indemnity.

Chief Justice Baker and Justice Taylor both filed dissenting opinions in the earlier supreme court ruling.

N. Y. School Sets Up Homeowners' Course

A third section of the homeowners' comprehensive policies course has been started by Insurance Society of New York and will meet Thursdays from 5:30 to 7:30 p.m. through June 14.

The course includes forms issued by New York Fire Insurance Rating Organization, Multiple Peril Insurance Rating Organization and Inter-Bureau Insurance Advisory Group.

Meritplan Names Two

John G. Crawley has been appointed manager in southern California for Meritplan of Los Angeles. F. R. Parent has been named assistant manager of the home office underwriting department.

Mr. Crawley began his insurance career with Employers Liability at Mil-

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(CONTINUED FROM PAGE 1)
of eliminating duplication of costs. Also, the organization expressed appreciation of safety features in some automobiles and urged manufacturers to stop advertising speed and command of the highways and the showing of excessive and unsafe speeds on speedometers.

Another resolution expressed appreciation for insurer advertising of the agency system, called on other insurers to join in the promotion and urged associations and agents to do some promoting themselves.

A. L. Jagoe of Washington was chairman of the resolutions committee and Preston Hadley of Bellows Falls, Vt., of the nominating committee.

There still is plenty of business to be sold, Frederick W. Doremus, manager of Eastern Underwriters Assn., told the conference. Not all fire cov-



H. N. Fullington



F. W. Doremus

erage is accompanied by extended coverage. A recent nationwide check conducted by the stamping offices of the country over a period of two weeks, which involved more than 700,000 dailies, showed 12.6% of the business on dwelling and contents was for fire only, and that of 84,000 of these fire policies only about 50,000 were on contents only, indicating that there still are quite a few buildings on which there is fire cover exclusively. The fire only figure for the east, he said, was 21.9%, yet the east has had EC since 1934.

The national figure for fire and EC was 69.8%—for the east, 69.5%. Additional EC, five years old, was found on 3.5% of the national business, 5% in the east. The same figures for the special dwelling buildings only form were 5% and 1.6% and for broad dwelling and contents form 9.1% and 2%.

EUA is continuing its study of the mechanical writing of dwelling policies, he said. A group company technicians, working with the EUA staff, have been designing a page one of the fire policy that can be issued electronically. Nine different formats were devised, which have been reduced to three. At this juncture National Board recommended a revision of page one which can be used for all fire policies, not dwellings only.

Direct writers, he noted, already have instituted the mechanical handling of policies.

Commissioner Spellacy of Connecticut, commenting on his drive to get auto collision classification overcharges refunded to his policyholders, declared that the finance company is interested solely in protecting its own interest through companies insuring financed auto business, and the auto dealer is interested only in selling the car. Consequently, they sell only the physical

damage coverages, not liability. His department now insists that such insurers print on every policy in his state the warning that the contract does not contain liability insurance. Even so, some insured still think they have all when they have only PHD insurance.

This wouldn't happen if an agent wrote the business, he declared. The agent is interested in the policyholder. His job is to protect the policyholder. He said he wouldn't insure a postage stamp without the services of an agent. The agent is invaluable. Every Hartford insurer that has grown up into a powerful organization has done so by the agency system.

The auto dealer-finance company misclassification resulted in more than \$500,000 of overcharges in 2½ years.

"The policyholders are going to recover every damned nickel of it" he stated.

Among developments in the business today that are of vital concern to producers, C. F. J. Harrington, executive vice-president of National Assn. of Casualty & Surety Agents, listed federal regulation of insurance through federal trade commissions; the increasing interest of life companies in the fire and casualty field; overcharges by finance company insurers on automobile PHD coverage; The confusion in multiple line and multiple peril, and compulsory automobile.

FTC's interest in insurance regulation is not confined to A&S advertising, Mr. Harrington said. FTC rules may be applied to other lines, such as fire, casualty and life. He doesn't believe complaints against A&S insurers will stop with the April 30 hearing. He noted that FTC's action is in character disciplinary while that of state regulation is conference and adjustment.

Health Insurance Assn. reflects the movement of life companies into the A&S field, he said, and it will require cooperation between agency organizations in the period ahead if order is to be maintained. He warned agents to watch HIA. There is, he said, no provision in its constitution for representation of producer organizations.

Mr. Harrington thinks an industry committee should be named to work with commissioners on multiple line and multiple peril coverages. Statutory revisions are indicated to deal with needed adjustment in reserves, statistical reports, etc.

It will be difficult to correct the many evils in the financed auto insurer field because the finance companies are not regulated by insurance departments, he said. The problem is likely to be a topic on the agenda of the NAIC annual.

Companies and producers are going to have plenty of difficulties administering the New York compulsory auto law, Mr. Harrington said. Producers outside of New York will have to advise insured likely to travel in that state. Since it is law, the business does have to help make it work, he added. Producers have a great stake in its working well.

"You will find that out quicker than you think," he warned. There is no perfect compulsory auto law, he believes. Anyway, it represents failure to deal with the real problem, traffic accidents. The NAIA casualty committee meets next week in New York for four days with National Bureau of Casualty Underwriters, National Automobile Underwriters Assn. and National Council on Compensation Insurance to

discuss coverage extensions or modifications in which agents have expressed an interest. The agenda will be developed from the casualty questionnaire sent out to agents by the committee.

Howard N. Fullington, Wichita, committee chairman, discussed a number of suggestions for the agenda that have been proposed by agents. On general liability, is the agent finding a greatest need for blanket contractual cover? Is coverage needed for mental anguish? Should coverage allow for punitive damages? In automobile, should there be a rate discount for safety belts? In burglary, can coinsurance on open stock be eliminated for an added premium? Would business interruption cover be popular in connection with valuable papers and records?

At the present traffic accident rate 1956 may be the worst ever, Paul Blaisdell, director of the traffic safety division of Assn. of Casualty & Surety Companies, told EAC. The traffic violation is an expression of anti-social behaviour and should be treated as such, he said. He urged agents to take the lead in traffic safety, where real leadership is needed.

The second day opened with a state association and local board officers breakfast at which Eastern Underwriters Assn. was host. With Arthur B. Fair of Natick, Mass., the second vice-chairman, presiding, a panel of agents on current problems was presented which will be reported next week. The closing luncheon featured the address by Kenneth Ross, president of NAIA, which is reported elsewhere.

Among the special features of entertainment were the America Fore cocktail party Monday evening; the get together dinner Sunday with Mr. Forcier acting as emcee; the dance Monday and the banquet Tuesday night. Hosts for the dinner and banquet entertainment, the dance, a sight-seeing tour and a ladies' luncheon were the Hartford companies—Aetna Life group, Aetna Fire group, Hartford Fire, National of Hartford group, Phoenix of Hartford group, Travelers, Hartford Steam Boiler, London & Lancashire group, Scottish Union and Caledonian. In addition to several of these companies other insurers that maintained headquarters included Continental Assurance, American-Associated, American of Newark, Appleton & Cox, Chubb & Son, Fidelity & Deposit, Fireman's Fund, Hartford County Mutual, Home, Maryland Casualty, New Amsterdam, St. Paul, F&M., Yorkshire and U.S.F.&G. Connecticut, North Carolina and Pennsylvania associations maintained headquarters, along with Hartford Board.

Kemper Companies Plan Campaign for Auto Business in May

Agents for the Kemper companies will participate in a special sales campaign to develop automobile business in May. Under the slogan "We Auto in May," the campaign will include special newspaper and magazine advertisements and tie-in materials to enable agents to concentrate their sales efforts in the campaign theme.

This is the first special automobile insurance sales promotion campaign by the Kemper companies in a number of years. A special fire insurance campaign last October produced the largest one-month volume of new fire insurance premiums in the history of the companies.

Insurance Women of Racine (Wis.) were guests at the recent dinner party sponsored by Racine Insurance Assn. Humorous skits were presented by members of both groups.

Directors Vote More for Slogan Contest, Act to Stop FHA Self Insurance

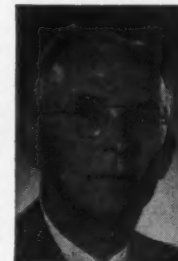
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said compulsory certainly is a threat in other states. It was narrowly averted in the last Tennessee legislature and probably cannot be in the next. There is no positive proposal to meet the threat, Mr. McKown said. There is nothing concrete with which agents can go home and fight.

Morton V. V. White suggested that Mr. Neumann set down the story of the New York fight; this would help. Mr. Neumann said he and Arthur L. Schwab of Staten Island, president of the New York association, will document the New York story and send it to the states.

Local agents have made gains in competition with direct writers, Mr. Neumann said, but the fight is not over by any means. He said agents are still opposed to a reduction in auto commissions, continuous policies and direct billings. Accept these, he declared, and the agent is done as an independent contractor and NAIA is apt to end up some day as a trade union.

He called attention to the fact that in 1955 agency companies reached all time highs in premiums; there were dividends, extra dividends and stock splits; it is now the direct writer that is worrying about not reaching sales and profit goals. But he warned against agents becoming lulled into a false sense of security.

Two suggestions were advanced by the public relations committee, for which John C. Stott of Norwich, N.Y.,



John C. Stott



M. V. V. White

past president of NAIA, spoke as chairman. These were that NAIA establish a clearing house for advertising information for agents and associations and that each state association activate its own advertising program.

Mr. Stott urged agents to show their appreciation of the efforts of insurers that have developed and made available advertising material for the use of agents and associations. Recently America Fore and Royal-Liverpool have produced excellent material, they are providing it free, and the material is not earmarked by company name.

Agents and associations are not using fully by any means the material they have available in combatting direct writer and cut rate competition, Mr. Stott declared. Recently one important company group offered an excellent advertising program without company identification to state and local associations. Only 78 of 1,200 local boards took advantage of the offer.

NAIA is receiving an average of 40 entries a month in its slogan-insignia contest, Mr. Stott reported. He urged greater participation.

The committee has conferred with a like committee of American Insurance (CONTINUED ON NEXT PAGE)

(CONTINUED FROM PRECEDING PAGE) Assn., he said, and the foundations have been laid for a joint company-agency program. Though large, immediate results may not flow from this interchange, agents should not be impatient, he said. It will produce further results. Whatever may be done industry-wide, he said, several insurers want to carry on their own excellent programs, as do National Board and Assn. of Casualty & Surety Companies. NAIA has named a subcommittee, headed by William E. Newcomb, president of Great American to study the subject further and make recommendations.

Indications are that advertising by local agents and by companies of local agent values has increased in tempo and become more effective, he noted. The local agent should spend a reasonable portion of his income on an advertising program, he declared. The future of the business is at stake. It is much too late to wait for any organization in the business to do a complete job for the agent.

State directors adopted a resolution urging Congress to retain the program of insuring properties repossessed by federal housing administration in private insurers and through local agents, as has been done for years. Presently the so-called housing bills contain a section which would establish self insurance on such properties.

In his report on free insurance, particularly that given with motor car purchases, Mr. White said apparently the give-away is legal in Indiana, Michigan, Oregon, California, Pennsylvania and Rhode Island and illegal in Illinois, Ohio, Florida, New Hampshire, Kentucky, North Carolina, South Carolina, West Virginia, Alabama and District of Columbia, New Mexico has discouraged it and New York has disapproved it, but because one of the insurers disagreed with the ruling the matter is now with the attorney general for ruling.

Mr. White suggested agents work for legislation banning the giving away of insurance protection of any kind as an inducement to sell merchandise or service. Paul Avery of Granby, Conn., said his insurance department has suggested NAIA work with National Assn. of Insurance Commissioners on a model bill.

It is apparent on the evidence that the business cannot provide flood insurance on fixed property at this time, H. Earl Munz, Paterson, N. J., chairman of the property insurance committee, told directors. It is just as apparent that the government cannot provide such indemnity either without risking financial ruin, he added.

It is essential for agents to explain to the public that private insurance is not feasible now and that many coverages presently available contain flood protection.

Much of the confusion which originally existed in the package policy field because of the variety of forms and rates is being overcome, Mr. Munz continued. The tendency to broaden coverage in existing packages and to bring out new packages continues. It has been suggested that the manufacturers output be extended to include property at manufacturing locations and an office equipment all risk package cover now is on the market.

He said Inter-Regional Insurance conference's action in the commercial block represented a compromise of many diverse opinions and, if everyone is not satisfied, at least the confu-

sion of hundreds of independent filings was avoided.

Acceptance of dwelling packages by lending institutions still is a problem in some places. This will be discussed at a July meeting of producers with Inter-Regional. It is hoped some satisfactory agreement can be presented to Mortgage Bankers Assn. and that the packages will be universally accepted by mortgagees.

In his report, Maurice Herndon, manager of the NAIA Washington office, said the New Orleans Insurance Exchange case is expected to go to trial May 7 in federal district court of eastern Louisiana. Developments are expected momentarily in the Cleveland board case, he said.

Use of agents by Federal Crop Insurance Corp. is not working out well because of a low commission scale and lack of enthusiasm for federal crop cover, he stated. As a result, FCIC again is making extensive changes in its operation. Where no results have been shown by the agency plan, FCIC is appointing FCIC employees on a per diem base to sell government cover. However, FCIC states that a number of members of NAIA around the country are doing a good job.

Ernest F. Young of Charlotte, N.C., reported for the educational committee. He presented to Sheridan Barnes of Louisville the NAIA plaque marking the 5,000th student of the NAIA course to deliver to Mrs. Beatrice John of Louisville.

Thurston H. Jenkins of Colorado said his agency felt the need of a job course for new salesmen. He wants to get new men in the organization and likes to keep them in the agency two years before sending them to a company agency school. Perhaps NAIA could provide such a course.

Though the danger of being held liable for personal holding company penalty taxes has been removed from incorporated agencies which operate in the customary fashion, George S. Hanson, executive secretary and general counsel of NAIA, warned agents that agency agreements with all companies should be in the name of the corporation rather than in that of any specific individual.

A recent decision of the U.S. tax court focused attention on the deductibility of certain expenditures of an agency which might be a contravention of state insurance laws. This involved a Chicago agency.

The tax court allowed as deductions certain expenditures to absorb certain premium differences and take care of errors made in advising customers of the cost of policies, Mr. Hanson said. The court said that the agency occasionally found it good business to absorb premium differences when writing a policy for a new customer and cancelling an existing policy with another company. Also the cost might be incorrectly quoted. When the insurer advised the agency of the mistake, it was too late to go back to the customer.

However, payments to auto dealers for soliciting and sending applications to the agency were disallowed. The Illinois insurance code prohibits payment of money to anyone other than a licensed person. Thus payments illegal under state insurance laws are not tax deductible.

Kimball to Stough-Vincent Agency

Ralph W. Kimball, an underwriter for Hawkeye-Security at Denver for the past three years, has joined the Stough-Vincent agency there as office manager.

Associated Industries of Missouri Oppose Model WC Bill

ST. LOUIS—The model workmen's compensation bill proposed by the Department of Labor was the subject of a roundtable discussion by members of St. Louis Insured Members Conference of Associated Industries of Missouri here Tuesday.

Seldon E. Brown, head of the insurance division of Associated Industries, moderated the discussion. Prior to the meeting, he had prepared five special bulletins analyzing sections of the department bill.

May 1 is the deadline set by the Department of Labor for industry and others to file their objections, comments, etc., with the department relative to the discussion draft bill.

Matters considered in the round table discussion were: What can industry representatives do? What ought to be done? What are others doing? It has been indicated that Associated Industries believes that WC matters should remain under jurisdiction of the states without intervention by the Department of Labor or other government branches.

Mr. Brown, as insurance director of Associated Industries, sent a letter to Arthur Larson, under secretary of labor, which said, in part:

"We do not find any employer representative who favors federal intervention of any kind in this field. We find employer representatives who favor various changes for improving our own state laws, but none of them favors your bill or any part of it."

"In various letters and releases you protest that the Labor Department is not trying to take over in the field of workmen's compensation. You agree that this is an area for the states themselves to legislate in accordance with their needs. You say the Labor Department is only filling its traditional role of assisting the states, etc."

"Of course it is not necessary for Congress to pass a law and preempt (if that is possible) this field for the federal government to take over. All that is necessary is to do just what your department is doing—release a so-called model—fix the standards—provide counselling for state administrators—provide experts to help legislatures and so on, ad infinitum. This will be controlling it—you don't have to own it to control it."

"Employer representatives have also mentioned the penal nature of your bill. It seems that scattered all through the bill there are penalty provisions—some put there to make it hurt the employer—others to enforce some safety requirement—and others apparently to reward someone because of an error on the part of the employer. Employers feel they are entitled to far better treatment and consideration in these matters than is accorded them under your bill . . ."

"If at this point we can make a suggestion, or express a hope, it would be that the whole project of providing a model workmen's compensation bill by any agency of the federal government be abandoned as an undue invasion of the rights of the states to solve their own problems in this field, further, that the project be found to be an impractical one, because one sovereign cannot provide standards and models for 48 other sovereigns unless it dominates the other 48."

E. H. O'Connor Talks on Intervention by Government

Edward H. O'Connor, managing director of Insurance Economics Society, discussed the model workmen's compensation bill proposed by the Department of Labor and other attempts at governmental intervention in insurance, at the April meeting of Chicago Casualty Underwriters Assn. The controversial subject drew a top attendance at the meeting.

"At the present time, we have the federal government octopus reaching into the field of workmen's compensation—a field universally acknowledged to be wholly outside the scope of federal jurisdiction or authority," he said. It is being done through the discussion draft of a model workmen's compensation law by the Department of Labor, which is designed to help the states improve their own laws.

"In so far as is known," he said, "this preferred help to the states is wholly unsolicited and uninvited. We have not heard of a single state which has ever asked for help from the Department of Labor or any other federal agency in writing its WC laws," he said.

"Not only is workmen's compensation a subject which is strictly a matter of state responsibility and state control, but it is a field in which the various states have had more than 40 years of experience in developing, each for itself, a body of law particularly suitable to that state. Who is to say which of the 48 states has the best law?"

Mr. O'Connor termed the model bill an invasion of states' rights, the initial step towards federal intervention in a program handled best by state governments closest to the problem, and an opening wedge for federal operation of WC insurance.

"For the past eight years there has been a movement afoot in various states to enact plans of compulsory cash sickness compensation," he said.

Mr. O'Connor said this action is of most interest to those engaged in the A&S business but carries a certain amount of threat for those outside A&S because if such a movement is successful in the A&S field it would be a simple step to enact monopolistic WC, automobile insurance and so forth, operated entirely by the state.

Mr. O'Connor reviewed federal activity to expand the social security act and called the act a "political football" which is becoming more and more of a threat to the life insurance business. "Unless drastic steps are taken to prevent extensive benefits being granted, the system may collapse of its own weight in due time," he said.

He concluded that the insurance business, if permitted to continue without too much government interference, would reach its greatest plane of success. "We will, however, have to always be alert to see that our business will continue to have public acceptance and that various legislative moves will not tie our hands or place us in a position of not being able to render the proper service under our competitive system. If we are alert and follow every advantage that may lead to our protecting and satisfying the public, I feel confident that we have a brighter future ahead in our business than at any time in its history."

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